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Logistics

Department of Defense
Supply Management Reference Book

Headquarters
Departments of the Army, the Navy,
the Air Force, and the Defense
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FOREWORD

During the past 40 years technological advances have influenced all logistics systems development significantly. Along with these developments, important policy and procedural changes have occurred in management of the Defense effort of the United States.

Military Logistics has been in an evolutionary process since World War II. The development of new management strategies has resulted in standardized supply procedures and practices. Standardization and automation have resulted in a better capacity for a joint response in military operations and an improved overall state of combat readiness.

The trend in supply management has been directed toward integration of

operations. First, there was coordinated procurement and inter-service supply support; next, there was the single manager concept and then the establishment of a unified supply and services activity--the Defense Logistics Agency (DLA). These incremental improvements in the defense supply system have evolved into the concept of integrated materiel management.

These developments are making possible more efficient use of limited resources, consolidation of inventory management functions with assigned single managers, and implementation of more effective stockage policies and distribution concepts. The use of scientific management techniques applied to procurement, inventory management, maintenance and other related functions is enabling the Department of Defense (DoD) to procure better equipment, and to distribute and maintain it with a higher degree of proficiency and at comparatively lower costs. Continual management attention is being directed toward increasing the effectiveness and responsiveness of the DoD supply system to meet the materiel readiness objectives of the military services.

This sixth edition of the Supply Management Reference Book was assembled by the United States Army Logistics Management Center with assistance from representatives of the Departments of the Army, Navy, and the Air Force, and the DLA, as well as the Marine Corps and the General Services Administration. It describes significant management improvements undertaken by the DoD and elements of the logistics system. Users of this reference book are requested to submit suggested changes or recommendations for improvement to the Commandant, U. S. Army Logistics Management Center, ATTN: DRXMC-MR-MM, Fort Lee, Virginia 23801.

This reference book is intended as a guide to the changing supply management picture, for use by all levels of management. It is not to be interpreted as a directive to activities on the distribution list. The contents are for informational purposes only and, even as such, should be verified by all users where the accuracy of the information is crucial. It is hoped that the book will serve as a useful basis for discussion of supply related problems among professionals in the DoD and outside groups and encourage thinking on how our dynamic logistics establishment may better satisfy the needs of the Defense mission.

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//signature//
William H. Taft, IV
Deputy Secretary of Defense

Headquarters
Departments of the Army,
the Navy, the Marine Corps,
the Air Force, and the
Defense Logistics Agency
Washington, DC
1 January 1985

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Logistics

Supply Management Reference Book

Applicability. This publication applies to the Active Army, the US Army Reserve, and the Army National Guard. Specifically, this publication applies to management systems used

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in military supply management for the Departments of the
Army, the Navy, the Marine Corps, the Air Force, and the
Defense Logistics Agency.

Impact on New Manning System. This publication does not
contain information that affects the New Manning System.

Interim Changes. Interim changes to this publication are not
official unless they are authenticated by The Adjutant General.
Users will destroy interim changes on their expiration
dates unless sooner superseded or rescinded.

Suspected Improvements. The Army proponent agency of
this publication is the US Army Logistics Management Cen-
ter. Users are invited to send comments and suggested im-
provements on DA Form 2028 (Recommended Changes to
Publications and Blank Forms) directly to Commandant. US
Army Logistics Management Center, ATTN: DRXMC-MR-
MM, Fort Lee, VA 23801.

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Chapter 1

Introduction to Supply Management

1-1. Introduction

This is a reference book about supply management in the Department of Defense (DOD). It is printed in reference book style to facilitate its use. It describes the supply management systems and supply supporting systems of the military services and Defense Logistics Agency (DLA). The role of the General Services Administration (GSA) is portrayed where support of defense activities is involved. The Supply Management Reference Book is intended to serve as a vehicle for information and discussion by professionals within DOD, other Government agencies, Congress, and outside groups such as universities, industrial activities, and research organizations. The scope of the sixth edition has been expanded to include new organizational structures and concepts, and new subject areas that directly or indirectly affect supply operations.

1-2. Significance of supply management

The basic mission of the military services is to prevent wars from starting and to win them if they start. To perform this mission the military services do not depend on bulk manpower. Massive manpower is not the prime asset of the United States; this Nation's prime asset is skilled manpower equipped with the proper tools. It is the mission of the supply systems of the military services and DLA to buy these tools, supply them to US and allied forces worldwide, and maintain them in working order wherever they are located. The supply system must not only support combat readiness for the US forces now in being, but must plan for the support of the US military forces of the future, and all foreign military sales (FMS) and assistance to allied forces under the international logistics programs.

1-3. The magnitude of supply management

a. Military supply management involves the largest inventories and the greatest diversity of items to be found in any organization in the world. As of September 1983, over 4 million different items were classified, identified, and cataloged under the Federal Catalog System within DOD. Assets on hand were valued at \$336.1 trillion as of September 1982, and consisted of the basic types as shown in table 1-1.

b. The segment of DOD property holdings that interests us most in this text is the so-called "supply system inventory;" that is, the inventory of equipment and supplies being held in DOD storage and warehousing facilities for issue to the operating forces.

c. This property, currently valued at \$102.4 billion, consists of 4 million items of weapons, equipment, repair parts, ammunition, vehicles, consumables, clothing, subsistence items, fuel, and medical supplies. It is held for various purposes by depots, posts, camps, bases, supply ships, or stations. Supply inventories are held as follows: Army \$32.6 billion; Navy and Marine Corps \$28.0 billion; Air Force \$31.8 billion; and DLA \$10.0 billion. In

composition, these inventories consist of major items such as vehicles, ammunition, weapons, communications equipment, aircraft, and similar equipment and secondary items such as components and repair parts, fuel, clothing, subsistence, medical, and general supplies. The largest category is aircraft components and parts valued at \$13.455 billion.

Table 1-1. Assets on Hand In September 1982

	Acquisition cost as of September 1982 (billions)
Supply System Inventory:	28.7
Stock Funded	73.3
Procurement Appropriated	
Subtotal	<u>102.4</u>
In Use and Excess:	43.4
Army	118.5
Navy and Marine Corps	65.9
Air Force	1.0
Held in Industrial Fund Accounts	4.9
Excess and Surplus and Foreign Excess	233.7
Subtotal	<u>336.1</u>
Overall Total	336.1

1-4. Security Assistance Program costs

During the period 1950-63, approximately \$27.7 billion of US military exports were programed as grant aid and \$2.9 billion were ordered on a reimbursable basis to meet the needs of foreign customers. Although a similar amount was programed during the 1960s, the major recipients for grants of military equipment shifted from Europe to Asia. As many European countries became sufficient and were able to obtain more of their own arms, the necessity for US financing for those countries was obviated. In both the 1950s and the 1960s, the annual appropriations necessary for foreign military assistance ballooned because of limited wars in Asia. During the 1970s, emphasis centered on Southeast Asia and the Middle East. The Security Assistance Program which was largely grant aid (MAP) in the early 1970s is now almost exclusively FINIS today. In recent years, the United States has accounted for somewhat less than half of the total worldwide arms deliveries. Table 1-2 shows arms deliveries and training during fiscal years 1978-82.

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Table 1-2. United States Arms Deliveries and Training
(In thousands of dollars)¹

	Foreign Military Sales (FMS)	Military Assistance Program (MAP)	International Military Education and Training (IMET)
1978	\$6,415,002	\$220,403	\$29,164
1979	6,873,921	157,872	26,640
1980	5,876,086	317,661	24,785

1981	7, 718, 530	240, 256	28, 701
1982	8, 948, 143	310, 085	46, 699

Data taken from the Foreign Military Sales, Construction, and Military Assistance Facts Book as of September 1982.

1-5. The meaning of supply management

a. It is the task of supply management to provide the material support required by the military services and foreign customers without failure under all conditions of peace or war. This support must be provided at a minimum cost for the material itself and for the effort involved in supplying it. These facts about supply management stand out:

- (1) Supply must be effective-national survival may depend on it.
- (2) Supply must be economical -the money and resources available to the supply manager are limited.
- (3) Supply management is complex-customer needs are extremely diversified and subject to constant change.

b. During World War II, supply effectiveness was obtained through massive support operations. No matter where battles were fought, or what the fortunes of war, the supply system was designed to have convenient storage points that could take care of every conceivable need. This system did not result in economical supply. At that time, the United States was engaged in a life-or-death struggle; all resources were mobilized. Round-the-clock; production strained the economy but it helped to end the war before the strain became too great.

c. The Korean War brought new supply problems. The sudden onset of hostilities in Korea found the United States unprepared for that limited type of war. Our World War II production base had been largely dissolved and little had been accomplished in the development of new weapons or supply systems.

d. In Vietnam, the situation was again different. The geographical limitations of the war caused the United States to supply the troops on a scale never before realized in modern warfare. Improved communications, automatic data processing equipment (ADPE), and increased use of aircraft for resupply made the difference. Supply shortages occurred but they were the result of production stoppages, lack of centralized control of assets, lack of supply discipline in the field, lack of trained supply personnel at organizational and field level, and poor logistics planning and programming.

e. In regard to any war, the United States must be ready for rapid response. The war our military services must be ready to fight may not materialize for years, or may occur today. Therefore, the United States must be ready to fight it today. The logistics system must provide effective supply, and be prepared to provide it for an indefinite period. The strength of the national economy is maintained by means of having what is needed but not more than is needed. It means getting supplies into the system, storing them, and getting them into the hands of the user at a minimum cost.

f. An ability to provide prompt and efficient response to allied customer requirements must also be maintained. This is essential where US commitments are involved.

g. The job of supplying just what is needed and no more is a demanding one. It means surveillance of an enormous quantity of items that change almost from day to day and supplying these items to a changing number of customers at changing locations around the world. Managing an economical supply system that provides for the customer's needs is a formidable task demanding the best executive talent.

h. It is common to talk of supply effectiveness and supply economy as two different concepts and two different goals; however, they are interdependent. If effectiveness is achieved without consideration for economy, vital resources may not be available to reequip the Armed Forces with improved weapons. The future is what supply managers must consider and plan for. The

basic fact that resources are limited is all-controlling. Consequently, supply economy means an opportunity for greater supply effectiveness. Supply costs have an important effect on the degree of combat readiness that we can achieve. Because of limited resources, decisions on the number and types of weapons that the military services will employ depend in large measure on the costs involved. Supply and maintenance support loom large in those costs. In the final analysis, supply management must be judged on effectiveness and economy together, in determining the quality and quantity of the weapons that it can effectively furnish with the supply dollar.

i. The job of the supply manager is to appraise and control the cost of supply. To achieve supply economy, inventories must be centrally controlled so that no more money is in-

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vested in them than is necessary for effective support, and operating costs must be controlled so that the costs of performing the supply function are kept at a minimum. Because of the magnitude of the supply system, slight improvements can result in tremendous savings. The control of inventory levels and control of operating costs are closely related. In some instances, it is necessary to increase certain operating costs in order to reduce inventory levels; for example, inventory levels can be cut by using a faster but more expensive method of distribution, such as airlift. On the other hand, a reduction in inventory levels reduces certain other operating costs, fewer personnel are required to store and inventory, and less warehouse space is required. Similarly, the speed and economy with which the maintenance facilities can effect repairs are important factors in establishing inventory levels for many items, as is the speed with which procurement can bring materiel into the system. Consequently, the supply system should be looked upon as a series of individual segments which are an interrelated chain of activities. The goal is overall effectiveness and economy.

1-6. Problems of supply management

a. The problems of supply management stem from three factors that have already been mentioned:

(1) The magnitude of the supply system-any operation of this tremendous size is extremely difficult to manage.

(2) The complexity of the supply mission-the system must satisfy the needs of a wide range of exacting customers for highly technical weapons and other necessities.

(3) Factors of change-new weapons and systems are constantly being developed and the tactical and strategic concepts which dictate the manner in which supply will be accomplished are subject to constant revision.

b. Within this framework, military supply management, like any other management task, consists of breaking the job down into manageable segments, planning for successful performance, and measuring that performance. In breaking the vast DOD supply system into manageable segments, three characteristics of the system assume paramount importance. First, the supply system is worldwide; this suggests that manageable segments should be established on a geographical basis. Second, the successful operation of the system depends on the performance of a number of specialized functions, such as storage, distribution, procurement, maintenance, communications, transportation, and data processing. Third, the system contains 4 million items that vary greatly in their use, size, complexity, value, and volume of issues. This suggests that manageable segments should be established by grouping items together according to some classification system. Actually, all three of these characteristics must be considered in breaking the supply system down into segments. The problem arises in

choosing the characteristic which is of overriding importance in establishing manageable segments. For example, due to criticality of the commodity, the Department of the Army (DA) manages medical materiel as a segment or subsystem of the Army Medical Department.

c. In addition, five basic individual item characteristics are considered when determining the overall management method for items in the supply systems of the military services and DLA. These are: criticality, dollar value, procurement leadtime or difficulty to procure or manufacture, demand or usage rate, and degree of difficulty to transport. Criticality and dollar value will be discussed in detail in chapters 15, 16 and 23.

d. Reliable communications, high-speed transportation, criticality, and dollar considerations have eliminated the need for management by geographical area with the exception of certain commercial items which are procured locally, and some seasonal items.

e. Emphasis is now on assigning worldwide materiel responsibility by item groupings. Under this concept, a manager is put in charge of a system or group of items and has full responsibility for all materiel functions which must be performed in connection with meeting the demands of customers for those items. There is practically no limit to the number of item groupings that can be made. There is no best way to group items for all purposes. The military services and DLA may be expected to change their methods of grouping items from time to time in order to achieve the management objectives that are most important at the time.

f. In the ideal situation, the manager of a group of items would manage all the materiel functions necessary to compute requirements, procure, store, distribute, maintain, and ultimately dispose of the items. But, in most cases, this ideal situation is difficult to achieve. For example, an item grouping which creates a manageable segment for the purposes of requirements computation or procurement might not provide sufficient volume to operate a maintenance activity economically. To operate efficiently, the maintenance activity may have to repair the items from two or more groups or managers. Hence, the maintenance function in its entirety could not be placed under the manager of any one group of items. Control of maintenance and procurement schedules by supply managers is and can be practicable.

g. Another obstacle to giving the supply manager of a group of items complete control of the maintenance function is that strategic or economic considerations may dictate that the items be repaired in many locations throughout the world. In this situation, the problem of providing an economical production volume to a main-

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tenance shop would be magnified as would be the problems of exercising direct management control over this widespread cooperation. In spite of the obstacles, the objective remains clear; that is, to break up the supply system into manageable segments based on appropriate item groupings. The objective also is to provide the manager of each group of items or system with authority over every materiel function which must be performed in getting those items to the customers in the field world-wide.

1-7. Major developments in supply management

a. Since 1961, efforts have been geared to improving logistics readiness while minimizing the number and dollar value of supply system stocks. The military services have made exceptional progress in meeting these objectives, as shown by the relatively small secondary item inventory when compared to the value of weapons in use. The investment in major items and secondary items is shown in table 1-3.

Table 1-3. Investment in Major Items and Secondary Items
(Billions at dollars)

Major items (weapons and equipment in use)	9/30/83 227.9
Secondary items	54.8

b. Listed here are seven principal events which have had a noteworthy influence on supply management.

(1) The advent of the Federal Catalog System. The starting point for major change in supply management was the conversion from numerous diverse systems for cataloging items of supply to the single Federal Catalog System, initiated under DOD in July 1950 and completed by the end of 1958. The catalog system, for the first time established a common supply language by assigning a discrete number and description to each separate item in the supply system. One of the most important objectives of the system is to prevent the addition of unnecessary items to supply system inventories as new weapons-together with thousands of repair parts-are developed. Since July 1968 through the central catalog file established at the Defense Logistics Services Center (DLSC) in Battle Creek, Michigan, DOD has had the capability of comparing new items proposed for stockage against all items in the system, in order to determine if the same or a substitute item is available. Through this medium, it has been determined that approximately 40 percent of the parts in newly developed weapons are already in the system. In addition the centrally managed catalog system has opened a new era in DOD standardization and item identification programs by making it possible to rapidly classify and compare items, eliminate duplicates, and continuously purify the catalog data. Without this common language and the new disciplines it has brought to bear, it is estimated that there might well have been a growth of 50 percent, and that DOD would be spending at least \$180 million each year in clerical and warehousing costs to manage those duplicate items, to say nothing of the investment in unneeded stocks.

(2) NATO Codification System.

(a) The advent of the NATO Codification (Cataloging) System in December 1958 provided a uniform and common system for identification, classification, and stock numbering items of supply of the NATO countries. It achieves a maximum effectiveness in logistics support and facilities data management in the area of materiel. The system has been agreed to by all signatories of the alliance for use in identifying equipment and supplies (in particular, common or NATO projects and equipment used by two or more countries procured from another).

(b) International use of the system is based on the principle that the manufacturer's country is responsible for the codification of the item, even if this item is not used in its own services. That means, the buyer's country has to request codification actions from the producer's country.

(c) The system, which is based upon the US Federal Catalog System, is also used by the Civil Departments of some NATO countries. It is governed by the NATO Group of National Directors on Codification of Equipment (AC/135). The implementation is a national concern and is performed by the National Codification Bureau. There are 5 million items in the Federal Catalog System of which 1.2 million are DOD/NATO items and 600,000 are NATO items only.

(d) Some of the significant benefits of the NATO Codification System are: more effective coordinated procurement of supplies; more effective cross-utilization of assets between member countries; reduction of recordkeeping, personnel, storage, space, etc., increased standardization of materiel; improved relations between Government and industry; and more effective requirements determination.

(3) Integrated item management. The creation of the Defense Supply Agency in 1962 (now DLA) has brought under single management over 2.3 million common items. Other single-manager assignments to Army, Navy, Marine Corps, and Air Force have added another 1.7 million items. Thus, over 4 million items in the Federal Catalog System have been assigned to one military

manager who buys, stores and issues on behalf of all the military services. Most of the items which remain under military service management are peculiar to the individual military service, or directly related to the operation of its weapon systems. DOD is continuing

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to purify these item assignments, but the major job has been done. Integrated item management almost immediately led to simplification in the organizational and physical structure for supply management. The number of inventory control points (ICP) was reduced from 44 to 22, and numerous storage points were closed-releasing altogether about 96 million square feet of covered storage space.

(4) Standardization of procedures. Beginning in 1962, it became apparent that to obtain maximum benefits from integrated management and to facilitate interchange of stocks among the military services, DOD needed one set of forms, records, and codes for use in requisitioning, shipping, and accounting for supplies within and among the military departments. These are the well-known DOD Military Standard Logistics System Procedures (Military Standard Requisitioning and Issue Procedures (MILSTRIP), Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP), Military Standard Contract Administration Procedures (MILSCAP), etc.). They were accompanied by a procedure approved by the Joint Chiefs of Staff (JCS), of uniform priority designators which established the sequence and timing of issues from depots. The introduction of the Military Standard Logistics Systems Procedures was probably the most massive paperwork standardization program ever undertaken in the Federal Government. Immediately following the implementation of the MILSTRIP on 1 July 1962, the Federal Supply Service of the GSA began developing a compatible civilian counterpart, the Federal Standard Requisitioning and Issue Procedure. It was promulgated by GSA Circular 312, 16 July 1963. Personal Property Management Regulation No. 35, 13 April 1964, made its use by all civilian agencies mandatory by 1 January 1965. The compatibility of the Federal procedure and military procedures makes it feasible for GSA and DLA to serve both civilian and military activities from their respective depot systems. This has been a major factor in furtherance of the national supply system concept. (See chapter 8.)

(5) Improved communications. A major breakthrough has been the development of high-speed techniques of communicating logistics data over the defense long-lines network, known as the Defense Communications System Automatic Digital Network. Under this system, it is possible for depots to report transactions to inventory managers at a rate of 600,000 messages per day compared to only 35,000 possible under previous procedures.

(6) Automation of records. Since 1961, the number of computers applied to supply management applications has grown tremendously. The benefits of the computers are, of course, not simply in their ability to rapidly store and process information on receipts, issues, and stock balances, but in their capability to prepare reorders as soon as minimum stock balances are reached, and to compute reorder quantities accurately related to usage experience. Thus, computers are permitting attainment of the long-sought objective of freeing the supply manager from the drudgery of detail so that he can concentrate on special problems requiring analysis and judgment. Each of the military services and DLA now have comprehensive programs of automated inventory management; and each has established a full-time, top-level planning and control staff which is devoted to harnessing the great power of the computer to logistics and other management tasks. The current trend is to miniaturize the computer hardware used in supply management.

(7) Defense Integrated Data System. The installation and activation of the Defense Integrated Data System in March 1975, in addition to simplifying and unifying the central item data bank at the DLSC has furthered

the integration thrust of many aspects of all the military supply systems. The institution of a standard data set and standardized configurations or punched cards and magnetic computer tape, along with the new compatibility between Federal catalog records, catalog management data records, item status records, and standardization records will all combine to clarify and simplify logistics data processing.

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Chapter 2 The Role of National Agencies in Supply Management

Section I National Policy and Its Effect on Supply Management

2-1. Introduction

a. This chapter covers, in general terms, the individuals and organizations responsible for supply management in the Department of Defense (DOD). In discussing supply management, however, it is necessary to go beyond the organizational structure of DOD to even higher Government levels. As part of the Federal Government, DOD and its supply activities are influenced by directives promulgated by the President and his advisers. The President and his executive agencies, Congress, and the public share in formulating the objectives of national security, in defining the role of the Military Establishment, and in determining the share of the Nation's resources which will be made available to DOD for the support of its operations.

b. The President, as chief of the executive branch of Government, is responsible for carrying out the laws enacted by Congress. In terms of national security, the President assigns responsibilities among his executive departments and agencies, directing and coordinating their execution of the foreign, domestic, and military aspects of the national security.

c. The President is specifically authorized by the Constitution to make treaties with foreign nations; he also directs the Department of State in the conduct of foreign affairs. While this is a civil responsibility, it is closely allied to security problems. The network of treaties which link the United States to other nations of the free world is a powerful deterrent to aggression. At the same time, it imposes on the United States a responsibility to aid in the defense of other nations. Supply managers must be prepared to support peacetime as well as limited and general combat operations in any part of the world, including the provision of repair parts for equipment which the United States has furnished to other nations under various programs.

d. Each year the executive departments, including Defense, submit their budgets to the President through the Office of Management and Budget (OMB). After making any changes deemed appropriate, the President forwards the budget to Congress. After review, Congress authorizes and appropriates funds to the executive departments for the conduct of Government programs. Appropriations to DOD include funds for the various aspects of the military supply system, including personnel procurement, operations and maintenance, and research, development, test, and evaluation.

e. Because many changes may occur in military demands during the period required for budget preparation and submission, the President maintains control of the expenditure of military funds even after the money has been appropriated by Congress.

2-2. The National Security Council

- a. The National Security Act of 1947 created the National Security Council (NSC) to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security.
- b. The NSC is made up of three groups:
 - (1) Statutory members.
 - (2) Statutory advisers.
 - (3) Attendees.
- c. The statutory members are the President, who is chairman of the council; the Vice President; the Secretary of State; and the Secretary of Defense. These are the persons who are charged with the responsibility for giving guidance to the President in the formulation of national security policies. The ultimate authority for deciding such policies and selecting national objectives relative to security is vested in the President who decides based on the advice of the statutory members of the NSC. The statutory advisers are the Chairman, Joint Chiefs of Staff (JCS), and the Director, Central Intelligence Agency (CIA). These members are required to advise the statutory members in matters related to their fields of specialized interest which, of course, are often of considerable concern to security policy and objectives.
- d. The attendees include the Secretary of the Treasury and the Director, United States Information Agency. The Secretary of the Treasury is a major policy adviser to the President on domestic and international financial and tax policy, while the international communication agency as well as being the principal vehicle through which the rest of the world learns about the United States, is also an important source of information regarding the views of the nationals of foreign countries, on the impact of United States security policies and objectives abroad. It is also the prerogative of the President to request the presence of any other individual as an attendee whom he deems advisable.
- e. All security policies and objectives have an effect on the needs of the military services and, thus, the supply systems of the services and the General Services Administration (GSA). The NSC, as the principal agency influencing the President's selection of national security policies and objectives, exerts a major influence over the activities of the service supply systems, and the management thereof.

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2-3. The Congress

- a. Article I, section 8, of the Constitution defines the powers of Congress. Included are the powers to assess and collect taxes; to regulate commerce, both interstate and foreign; to declare war; to raise and maintain an army and navy; etc. Together with the Senate, these are the lawmakers of the United States, and it is within the statutory limitations imposed by the laws that supply operations in the services must be conducted. Congress not only sets the limits on the amount of money which may be spent, but also determines how the funds are to be expended through the constitutional provision that, unless otherwise specified, funds may be used only for prescribed purposes. In practice, Congress allows a fair degree of latitude; providing funds in a comparatively small number of appropriation titles. In view of the flexibility inherent in military service needs, and the difficulty of accurately predicting materiel requirements, this latitude is essential to supply operations. Any tightening or loosening of this congressional control may have far-reaching effects on materiel management.
- b. On 19 December 1950, a bill was introduced in the Senate to amend title II of the First War Powers Act, 1941, as requested by the President. On 20 December 1950, the House of Representatives started action on a similar bill. The legislation was passed by Congress, signed by the President, and

became Public Law (PL) 921, 81st Congress. The law itself was largely procedural; its principal effect was to amend and extend title II of the First War Powers Act of 1941. Title II of PL 921 gave the President the power to authorize any department or agency of the Government, exercising functions in connection with the national defense, to amend or modify contracts.

c. PL 921 expired 30 June 1952, and at the request of DOD it was superseded on a permanent basis by PL 85-804, enacted by Congress on 28 August 1958. This law, as implemented by Executive Order (EO) 10789 and section 17 of the Armed Services Procurement Regulation (now the Federal Acquisition Regulation (FAR)), established the authority and provided uniform regulations for entering into and amending or modifying contracts to facilitate the national defense. These contractual actions are extraordinary in nature and may be exercised by the Defense Department only in certain unusual circumstances. These circumstances are of three general types. The first provides for authorizing contractual adjustments of specific types including:

(1) Amendments without consideration to provide a certain amount of relief where a financial loss is causing impairment of the productive ability of a contractor to perform on essential defense contracts, or where direct Government action taken against a contractor results in a contract loss.

(2) Correction of a mutual mistake discovered after award of a contract.

(3) Formalization of an informal procurement commitment made to an individual or individuals without a formal contract.

The second general type of action includes the making of advance payments to contractors, and the third general type includes the exercise of "Residual Powers" by formal Contract Adjustment Boards at secretarial level. This is a broad general authority to provide for extraordinary contractual actions which facilitate national security and which are not otherwise provided for under the act.

d. The Foreign Assistance Act of 1967, the amended version of the basic Foreign Assistance Act of 1961, which provided the authority for the United States to implement its foreign economic, military assistance, and military sales programs for fiscal year 1968, was signed into law by the President on 14 November 1967, as PL 90-137. The funds authorized under this act were considerably less than those the executive branch had requested and the amount that was later appropriated was still lower. In addition to the severe fund reductions, the act placed new major restrictions upon the use of both economic and military funds.

e. Another law which had major impact on foreign aid was the International Security Assistance and Arms Export Control Act of 1976 (PL 94-329) which placed many new controls and restraints on US transfers of arms and services through amendment of the Foreign Assistance Act of 1961 and restructuring the Foreign Military Sales Act of 1968 (retitled as the Arms Export Control Act).

f. Other statutory limitations on the supply system include:

(1) PL 82-436 (chapter 145, title 10, USC and section 487, title 40, USC) Defense Cataloging and Standardization Act, establishing the scope and purpose of the single catalog and standardization systems.

(2) PL 80-413 (62 Stat. 21; 41 USC 151), the Armed Forces Procurement Act, establishing strict limitations upon the procurement function.

(3) PL 81-216, as amended (63 Stat. 578; 5 USC 171), an amendment to the National Security Act requiring DOD to establish a unified system of financial accounting. This resulted in the present financial inventory accounting systems.

(4) PL 81-152 establishing the Federal Property and Administrative Services Act, as amended (63 Stat. 377; USC 124-132). The GSA (Federal Supply and Services) buys and stores common-use commercially available items for Federal Government agencies. GSA also has responsibility for disposal of surplus personal property for civil government agencies.

2-4. Congressional Liaison with Military Establishment

a. In order to guide Congress in formulating legislation affecting the Military Establishment, various committees of the Senate and House of Representatives maintain close liaison with the military services and conduct both routine and special investigations. Even when they do not lead to new legislation, these investigations, by highlighting certain problems, may lead to changes in supply policy and practices. Often congressional investigations are informal, involving questions or suggestions from individual congressmen to responsible authorities in the supply system. These questions and suggestions are often helpful in improving supply practices.

b. Standing congressional committees which customarily request detailed logistical information are:

(1) Standing committees of the Senate:

- (a) Appropriations Committee.
- (b) Armed Services Committee.
- (c) Finance Committee.
- (d) Government Operations Committee.
- (e) Aeronautical and Space Sciences Committee.
- (f) Small Business Committee.
- (g) Foreign Relations Committee.

(2) Standing committees of the House:

- (a) Appropriations Committee.
- (b) Armed Services Committee.
- (c) Government Operations Committee.
- (d) Science and Astronautics Committee.
- (e) Small Business Committee.
- (f) International Relations Committee.

(3) Congressional joint committees, commissions, and boards:

- (a) Joint Committee on Defense Production.
- (b) Joint Committee on Reduction of Nonessential Federal Expenditures.
- (c) Joint Economic Committee.

Section II

Department of Defense

2-5. History

a. DOD, originally called the "National Military Establishment," was formed in 1947 under the National Security Act. In 1949, it became an executive department of the Government. Reorganized in 1953 and again in 1958 under the Department of Defense Reorganization Act, it assumed much the same form that it has today.

b. Within DOD, there are three separate military departments: the Army, the Navy (including the Marine Corps), and the Air Force, each maintaining a considerable degree of autonomy and having its own combat and service organizations. Thus, each service has its own supply organization and is responsible for computing and budgeting for its own materiel needs within guidance provided by the Secretary of Defense. The Secretary of Defense exercises ultimate authority over the military departments and has the responsibility of integrating their policies and procedures.

c. DOD includes the Secretary and the Deputy Secretary of Defense; the Office of the Secretary of Defense; the JCS and the Joint Staff; the Inspector General of DOD; the three military departments and the four military services within those departments (Army, Navy, Air Force, and Marine Corps); the unified and specified commands; and such other DOD agencies as the Secretary of Defense establishes to meet specific requirements. Figure 2-1 shows the current DOD organization.

d. In providing immediate staff assistance and advice to the Secretary of Defense, the Office of the Secretary of Defense, and the JCS, although separately organized, function in full coordination and cooperation. The

Secretary's Staff includes the offices of the Deputy Secretary of Defense, the Under Secretary of Defense for Policy, the Under Secretary of Defense for Research and Engineering, 11 Assistant Secretaries of Defense, the General Counsel, and such other staff offices as the Secretary of Defense establishes to assist him in carrying out his duties and responsibilities. The heads of these offices perform such functions as are assigned by the Secretary of Defense in accordance with existing laws. The Joint Chiefs, as a group, are directly responsible to the Secretary of Defense of the functions assigned to them. Each member of the JCS, other than the chairman, is the head of his service and is also responsible for keeping the Secretary of his military department fully informed on matters considered or acted upon by the JCS.

e. Each military department is separately organized under its own Secretary and functions under the direction, authority, and control of the Secretary of Defense. The Secretary of each military department is responsible to the Secretary of Defense for the operation of his department as well as its efficiency. Orders to the military departments are issued through the Secretaries of these departments, or their designees, by the Secretary of Defense or under authority specifically delegated in writing by the Secretary of Defense as provided by law.

f. Commanders of unified and specified commands are responsible to the President and the Secretary of Defense for the accomplishment of the military missions assigned to them. The chain of command runs from the President to the Secretary of Defense and through JCS to the commanders of unified and specified commands.

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Orders to such commands are issued by the President or the Secretary of Defense, or by JCS by authority and direction of the Secretary of Defense. These commanders have full operational control over the forces assigned to them and perform such missions as are assigned by the Secretary of Defense, with the approval of the President.

2-6. Office of the Secretary of Defense

The Office of the Secretary of Defense is organized along functional lines, with key staff offices as indicated in figure 2-2.

2-7. Secretary of Defense

The Secretary of Defense is the principal assistant to the President in all matters relating to DOD. Under the direction of the President, and subject to the provisions of the National Security Act of 1947, as amended, the Secretary of Defense exercises direction, authority, and control over DOD. He is appointed from the civil life by the President with the advice and consent of the Senate. He serves as a member of the NSC and the North Atlantic Council.

2-8. Deputy Secretary of Defense

The Deputy Secretary of Defense is responsible for the supervision and

coordination of the activities of DOD as directed by the Secretary of Defense. He act for, and exercises the powers of, the Secretary of Defense during his absence or disability. He is appointed from civil life by the President with the advice and consent of the Senate. He represents the Secretary of Defense with such governmental and international groups as are determined by the Secretary.

2-9. Under Secretary of Defense for Policy

The Under Secretary of Defense for Policy is the principal staff assistant to the Secretary of Defense for planning and policy matters concerned with politico-military and international affairs such as arms limitation negotiations, intelligence analysis and collection requirements, communications, command and control requirements, the use of outer space and the integration of departmental plans and policies with overall national security objectives. These functions are carried out through the following key personnel: Deputy Under Secretary of Defense for Policy, Assistant Secretary of Defense (International Security Affairs), Assistant Secretary of Defense (International Security Policy), and the Director of Net Assessment. In addition, the Under Secretary of Defense supervises the Defense Investigative Service and the Defense Security Assistance Agency.

2-10. Under Secretary of Defense for Research and Engineering

The Under Secretary of Defense for Research and Engineering is responsible for the research, development, test, and acquisition of all DOD weapons systems. He also provides for the coordinated resource management, research, development, test, and acquisition of the telecommunications, command and control systems, and intelligence systems. These functions are carried out through the following key personnel: Assistant Secretary of Defense (Development and Support), Assistant Secretary of Defense (Research and Technology), Assistant Secretary of Defense (Command, Control, Communication, and Intelligence), Deputy Under Secretary (Acquisition Management), Deputy Under Secretary (International Programs and Technology), Deputy Under Secretary (Research and Advanced Technology), Deputy Under Secretary (Strategic and Theater Nuclear Forces), Deputy Under Secretary (Tactical Warfare Programs), and Assistant to the Secretary of Defense (Atomic Energy). In addition, the Under Secretary of Defense for Research and Engineering supervises the Defense Advanced Research Projects Agency, the Defense Communications Agency, the Defense Nuclear Agency, and the Defense Mapping Agency.

2-11. Assistant Secretary of Defense (Comptroller)

The Assistant Secretary of Defense (Comptroller) advises and assists the Secretary of Defense in the performance of the department's programing, budgetary, and fiscal functions and DOD-wide organizational and management matters; provides for the design and installation of resource management systems throughout DOD; collects, analyzes, and reports resource management information for OMB, Congress, the General Accounting Office (GAO), and other agencies outside DOD; supervises, directs, and reviews the preparation and execution of the defense budget; and oversees services pertaining to automatic data processing (ADP). In addition, the Assistant Secretary of Defense (Comptroller) supervises the Defense Contract Audit Agency.

2-12. Assistant Secretary of Defense (Health Affairs)

The Assistant Secretary of Defense (Health Affairs) is responsible for DOD health and sanitation matters which include the care and treatment of patients, preventive medicine, clinical investigations, hospitals and related health facilities, medical materiel, nutrition, drug and alcohol abuse control, and health personnel and the procurement, education and training, and retention of such personnel.

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2-13. Assistant Secretary of Defense (Manpower, Installations, and Logistics)

The Assistant Secretary of Defense (Manpower, Installations, and Logistics) is the principal staff assistant to the Secretary of Defense in the functional fields of manpower, personnel, and material requirements; production planning and scheduling; acquisition; quality assurance; inventory management; storage, maintenance, distribution, movement, and disposal of materiel, supplies, tools, and equipment; quality control; transportation, petroleum, and other logistics services; supply cataloging, standardization, commercial and industrial activities and facilities, including fixed industrial equipment; military construction; family housing; and real estate and real property, including general-purpose space. He also serves as the principal staff assistant to the Secretary of Defense in the functional fields of manpower and personnel and exercises staff supervision over the Defense Logistics Agency (DLA). The Assistant Secretary of Defense (Manpower, Installations, and Logistics) is appointed by the President with the advice and consent of the Senate.

2-14. Assistant Secretary of Defense (Legislative Affairs)

The Assistant Secretary of Defense (Legislative Affairs) maintains direct liaison with Congress, the Executive Office of the President, and other Government agencies with regard to legislative investigations and other pertinent matters affecting the relations of DOD with Congress; provides advice and assistance to the Secretary of Defense and other officials of DOD on congressional aspects of departmental policies, plans, and programs; coordinates departmental actions relating to congressional consideration of the legislative program of the department; coordinates the development, clearance, and furnishing of information in response to requests received in the Office of the Secretary of Defense from Members of Congress and the committees of Congress and their staffs; and arranges for witnesses from the Office of the Secretary of Defense, defense agencies, and the military departments at congressional hearings on defense matters.

2-15. Assistant Secretary of Defense (Reserve Affairs)

The Assistant Secretary of Defense (Reserve Affairs) is the principal staff assistant to the Secretary of Defense for all matters concerning the National Guard and Reserve components. This includes, but is not limited to, manpower, logistics, budget programs, force structure, procurement, personnel, administration, facilities, training, mobilization, readiness, liaison, and other related aspects of Reserve matters.

2-16. Assistant Secretary of Defense (Public Affairs)

a. The Assistant Secretary of Defense (Public Affairs) manages the defense

public and internal information activities, community relations, and programs of DOD and OSD in compliance with the Freedom of Information Act (5 USC 552). Liaison is maintained with and assistance is provided to information media and national and civic organizations with respect to matters relating to activities of DOD. In addition, the Assistant Secretary of Defense (Public Affairs) supervises the Defense Audiovisual Agency.

b. Each Under Secretary and Assistant Secretary also performs functions in his assigned fields of responsibility such as:

(1) Recommending policies and guidance governing DOD planning and program development.

(2) Developing systems and standards for the administration and management of approved plans and programs.

(3) Reviewing programs of the military departments for carrying out approved policies.

(4) Evaluating the administration and management of approved policies and programs.

(5) Recommending appropriate steps including the transfer, reassignment, abolition, and consolidation of functions which will provide for more effective, efficient, or economical administration and operation, and will eliminate unnecessary duplication, or will contribute to improved military preparedness.

In the performance of his functions, he coordinates, as appropriate, with the military departments and other DOD agencies having collateral or related functions. In the course of existing full-staff functions, he is authorized to issue instructions appropriate to carrying out policies approved by the Secretary of Defense for his assigned fields of responsibility.

2-17. General Counsel of the Department of Defense

The General Counsel is the chief legal officer of DOD with responsibility for all legal services performed within or involving DOD. In addition, the General Counsel is responsible for the preparation and processing of legislation, orders, proclamations, reports, and comments thereon. In addition the General Counsel serves as Director, Defense Legal Services Agency.

2-18. Director, Program Analysis and Evaluation

The Director, Program Analysis and Evaluation, analyzes and reviews DOD quantitative requirements including forces, weapons systems, equipment, personnel, and nuclear weapons; initiates, monitors,

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guides, and reviews requirements studies and cost effectiveness studies; encourages the use of the best analytical methods in DOD; and contributes or participates in special studies as directed by the Secretary of Defense.

2-19. Director of Operational Test and Evaluation

The Director of Operational Test and Evaluation is the principal adviser to the Secretary of Defense for the operational testing and evaluation of major weapons systems in their field environment. Functions include approval of operational tests for major programs, enhancement of operational test realism, oversight of independent operational test facilities and organizations, and analysis of operational test reports.

2-20. Other Activities

Activities which are also the responsibility of the Office of the Secretary include: overseeing the propriety of DOD intelligence activities promoting the use of small and disadvantaged businesses as a source of DOD supplies and services, and providing DOD representation on the US mission to NATO.

Section III

The Joint Chiefs of Staff

2-21. Organization

a. The JCS consist of the Chairman of the JCS; the Chief of Staff, US Army; the Chief of Naval Operations; Chief of Staff, US Air Force; and the Commandant of the Marine Corps.

b. The JCS:

(1) Are the principal military advisers to the President, the NSC, and the Secretary of Defense.

(2) Constitute the immediate military staff of military participation in public exhibitions, demonstrations, and ceremonies of national or international significance. Security review, under the provisions of EO 11652 of March 1972, is accomplished for all material for public release and publication originated by DOD, including testimonies before congressional committees, or by its contractors, departmental personnel as individuals, and material submitted by sources outside the department for such review. Also, reviews are made of official speeches, press releases, and other information originating within DOD for public release, or similar material submitted for review by other executive agencies of the Government, for conflict with established policies or programs of DOD or of the Federal Government.

c. Subject to the authority and direction of the President and the Secretary of Defense, the JCS-in addition to such other duties as the President and the Secretary of Defense may direct:

(1) Prepare strategic plans and provide for the strategic direction of the Armed Forces, including the direction of operations conducted by commanders of unified and specified commands.

(2) Prepare integrated plans for military mobilization and integrated logistics plans.

(3) Recommend to the Secretary of Defense the establishment and force structure of unified and specified commands and the assignment to the military departments of responsibility for providing support for such commands.

(4) Review the plans and programs of commanders of unified and specified commands.

(5) Review major personnel, materiel, and logistics requirements of the Armed Forces in relation to strategic and logistics plans.

(6) Establish doctrines for unified operations and training and for coordination of the military education of members of the Armed Forces.

(7) Provide the Secretary of Defense with statements of military requirements and strategic guidance for use in the development of budgets, foreign military aid programs, industrial mobilization plans, and programs of scientific research and development.

(8) Recommend to the Secretary of Defense the assignment of primary responsibility for any function of the Armed Forces requiring such determination, and the transfer, reassignment, abolition, or consolidation of such functions.

(9) Provide the United States representation on the Military Staff Committee of the United Nations and, when authorized, on other military staffs, boards, councils, and missions.

d. The JCS came into existence early in World War II following a decision by President Franklin Roosevelt and Prime Minister Winston Churchill to establish a supreme Anglo-American military body for the strategic direction of the war.

e. After the war in 1947, the National Security Act of that year formally established the JCS as a permanent agency and designated the JCS as the principal military advisers to the President, the NSC, and the Secretary

of Defense.

f. Since 1947, the JCS organization has undergone several major changes, the latest being the Defense Reorganization Act of 1958 which, among other things, separated operational forces organized into unified and specified commands from the military departments, which had been executive agents and made them responsible to the Secretary of Defense through the JCS, increased the size of the joint staff, and gave operational command of all combat-ready forces to the unified and specified commanders.

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g. Individual military departments are charged with the responsibility of organizing, equipping, training, administering, and supporting the forces for national defense. The JCS make recommendations to the Secretary of Defense regarding the assignment of combat forces to unified and specified commands. Forces so assigned are under the operational command of the unified or specified commands, but continue to be administered and supported by the military departments concerned.

h. Any combat forces not assigned to unified or specified commands remain under the control of the military departments, but these forces are few in number and are confined to training, development, or other specialized commands.

i. Since the service chiefs, in their roles as members of the JCS, obtain considerable military information which is not available through service channels, each is required to keep their service Secretary informed.

j. As the head of the JCS, the chairman outranks all other officers of the Armed Forces. The Chief of Staff of the Army, the Chief of Naval Operations, and the Chief of Staff of the Air Force rank among themselves according to dates of appointment to those offices and rank above all other officers on the active list of the Army, Navy, Air Force, and Marine Corps, except the Chairman of the JCS.

k. The chairman is appointed by the President from the officers of the regular components of the Armed Forces and serves at the discretion of the President for a term of 2 years. He may be reappointed for one additional term.

l. While the chairman outranks all other officers of the Armed Forces, he may not exercise military command over the JCS or any of the Armed Forces. He participates as a member of the JCS, serves as presiding officer of the JCS, provides agenda for their meetings, and assists them in carrying out their business. He informs the Secretary of Defense of those issues upon which agreement among the JCS has not been reached.

m. The chairman manages the Joint Staff and its director.

n. The Joint Staff headed by the director is composed of not more than 400 officers selected in approximately equal numbers from the Army, the Navy (including the Marine Corps), and the Air Force. The Joint Staff's primary mission is to prepare plans and reports which serve as the basis for decisions made by the JCS.

o. Except for certain special advisory functions and activities, the Joint Staff is organized along military staff lines with joint directors as shown in figure 2-3.

p. There are a number of other JCS activities which are not part of the Joint Staff, namely:

- (1) JCS Representative, Strategic Arms Limitation Talks.
- (2) JCS Representative, Mutual and Balanced Force Reductions.
- (3) JCS Representative, Law of the Sea.
- (4) Assistant for Automation (Data Processing).
- (5) Director of Administrative Services.

q. Additionally, the facilities of the National Military Command System are operationally and administratively responsible to the Operations

Directorate of the Joint Staff.

r. Other organizations which report to or through the JCS include the:

(1) US Delegation, United Nations Military Staff Committee.

(2) US Representative to the Military Committee, North Atlantic Treaty Organization (NATO).

2-22. Logistics Directorate (J4)

a. The Logistics Directorate (J4), which is the activity of the JCS of prime interest to logisticians, is shown in figure 2-4. This directorate headed by a Director of Logistics who is responsible for providing assistance to the JCS in carrying out their logistics responsibilities as the military staff in the chain of operational command with respect to unified and specified commands.

b. The directorate consists of the Director for Logistics, two deputy directors, an executive officer, and appropriate subordinate divisions and branches. Each military department has approximately equal representation by rank, number, and importance of billet throughout the directorate. The director and the two deputies are general or flag officers from different military departments.

c. Under the authority and direction of the Chairman, JCS, and subject to the supervision and guidance of the Director, Joint Staff, the Director for Logistics shall exercise staff supervision and cognizance over joint logistics and strategic mobility matters. None of the assigned functions shall infringe on the prerogatives of the military departments/services or on their assigned responsibilities to provide logistics support to their forces. Specifically, the Director of Logistics shall:

(1) Serve as the principal advisor to the JCS on joint and combined logistics matters.

(2) Prepare for the JCS joint logistics studies, estimates, and plans. Recommend to the JCS assignment of logistics responsibilities to the military services and DLA in accordance with these plans.

(3) Prepare for JCS the logistics objectives and the strategic mobility resource requirements necessary to support the strategy and force structure recommended by the JCS in the Joint Strategic Planning System.

(4) Prepare for the JCS recommendations for appropriate logistics guidance in the military services which, if implemented, will result in logistics readiness consistent with the approved strategic plans.

(5) Review and analyze guidance and decisions by the Secretary of Defense to assess their impact on the

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{I i 44001633. gif: Figure 2-3. ORG OF THE JCS}

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{I i 44001634. gif: Figure 2-4. LOGISTICS DIRECTORATE}

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Logistics support available to the unified and specified commands.

(6) In collaboration with the Director for Plans and Policy (J5), prepare recommendations on logistics and strategic mobility matters for consideration by the JCS for submission to the Secretary of Defense in connection with the DOD Planning, Programming, Budgeting, and Execution System (PPBES).

(7) Prepare for the JCS joint logistics planning guidance for use by commanders of unified and specified commands, the military service, and DLA, as needed, in preparing their respective detailed plans.

(8) Review the major materiel and other logistics requirements of the Armed Forces in relation to joint strategic and logistics plans.

(9) Ascertain the adequacy of the logistics support available to the unified and specified commands to execute the general war and contingency plans, including the assets available through industrial mobilization.

(10) Report to the JCS significant logistics deficiencies affecting the capability of military forces involved in current operational activities of the commanders of the unified and specified commands.

(11) Prepare for the JCS, when required, a statement of the worldwide logistics posture in relation to the tasks assigned to the unified and specified commands.

(12) In collaboration with the Director for Plans and Policy (J5), support the preparation of joint plans, policies, studies, and reports on cognizant matters pertaining to military assistance programs.

(13) Serve as the office of primary responsibility within the Office of the JCS for strategic mobility, including strategic movement planning and operations.

(14) Prepare for the JCS strategic mobility policy and guidance for use by the commanders of unified and specified commands, the military services, and the transportation operating agencies in preparing their detailed plans. Review and assess for the JCS the strategic movement aspects of unified command operation plans.

d. The Deputy Directors assist the Director for Logistics in carrying out his functions. One is designated Deputy Director for Strategic Mobility, and one is designated Deputy Director for Planning and Resources. The senior deputy present acts as the Director for Logistics in his absence.

e. The Deputy Director for Strategic Mobility serves as the point of contact within the Office of the JCS for strategic mobility matters, is responsible for the promulgation of annexes B and J of the Joint Strategic Capabilities Plan and the review of joint operation plans of the unified and specified commands and, in collaboration with the Director for Operations (J3) and the Director for Plans and Policy (J5), makes recommendations regarding their adequacy, feasibility, and suitability for the performance of assigned missions. Specific functions include:

(1) Analyze, evaluate, and monitor for the JCS all aspects of strategic movement planning and operations, with the objectives of identifying and solving strategic movement problems and achieving an optimum strategic mobility posture.

(2) Provide joint transportation planning, policy and guidance, including matters pertaining to joint and international transportation planning, operations, systems.

(3) Serve as Chairman, Joint Transportation Board and provide administration and support of the Joint Transportation Board and its elements.

f. The Deputy Director for Planning and Resources serves as the point of contact within the Joint Staff for matters of international logistics, including rationalization and standardization and logistics support requirements and capabilities to support unified commands, and facilities planning. Specific functions include:

(1) Direct the review and assessment of logistics activities relating to policy guidance, force posture security assistance, joint contingency construction, and industrial preparedness.

(2) Direct and monitor the development and coordination of the logistics aspects of the Joint Strategic capabilities plan, and the review

and assessment of joint logistics aspects of the DOD Planning, Programming, and Budgeting System (PPBS).

(3) Serve as the logistics representative to the DOD Logistics Rationalization Steering Group, the Joint Medical Steering Group, and the Defense Energy Policy Council, and the ad hoc group/studies as assigned.

g. The Office of the Technical Adviser serves as adviser to the Director for Logistics on all aspects of systems analysis, operations research, and data processing matters as they relate to joint logistics and strategic mobility planning and operations. The Technical Adviser provides technical advice and assistance on the joint logistics and strategic mobility aspects command, control, and telecommunications.

h. The Joint Materiel Priorities and Allocations Board is the agency of the JCS charged with performing duties in matters referred to the JCS relating to the establishment of materiel priorities and the allocation of resources. The functions of the board are to:

(1) Establish, modify, and/or recommend priorities or allocation of materiel assets for the fulfillment of logistics requirements of US and allied forces.

(2) Review and act upon requests for modifications in Force Activity Designators.

(3) Review and act on requests recommenda-

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tions to establish or change the priorities in the Master Urgency List.

(4) Prepare recommendations for approval of the JCS on priorities and allocation matters which must be referred to the Secretary of Defense for resolution.

i. The membership consists of: The Director of Logistics, Joint Staff as Chairman; the Director for Operations, Joint Staff; the Director for Plans and Policy, Joint Staff; and a flag or general officer from each military service.

j. There are many other agencies within the Organization of the JCS (Reference JCS Publication No. 4). Only those having the most influence on supply management have been discussed in this chapter.

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Chapter 3

The Army Supply System

3-1. Background

a. The Army supply system is governed by broad policies established by the Secretary of Defense. The Secretary of the Army is responsible for implementing all Department of Defense (DOD) directives and instructions which deal with the supply system, including procurement, production, cataloging, standardization, storage, distribution, maintenance, disposal, transportation of supplies, and related matters. The scope of the Secretary's responsibility within the Department of the Army (DA) is comparable to that of the Secretary of Defense for the Military Establishment as a whole. The Secretary of the Army is aided in supply and logistics matters by the Assistant Secretary of the Army for Installations, Logistics, and Financial Management (ASA (IL&FM)). Within the Army Staff, the Deputy Chief of Staff for Logistics (DCSLOG) is the principal adviser to the Chief

of Staff on Logistics matters.

b. Historically, the burden of operating the Army supply system has been borne by the technical services organized around commodity groupings: the Ordnance Corps, the Quartermaster Corps, the Corps of Engineers, the Signal Corps, the Transportation Corps, the Army Medical Service, and the Chemical Corps. These technical services accomplished their supply missions through operating organizations which determined item requirements, then procured, received, stored, issued, maintained, and ordered disposal action with respect to those items for which they were individually responsible. In 1954, the position of DCSLOG was established, with responsibility and authority for logistics planning and for direction of supply operations. In 1962, the Army underwent a major reorganization which completely realigned its supply system. The technical services were reduced or eliminated and their former materiel functions were centralized in the Army Materiel Command (AMC) (in May 1962 AMC was designated as the US Army Materiel Development and Readiness Command (DARCOM); GO 26, 25 Jul 84 redesignated DARCOM as AMC effective 15 May 1984), with the exception of medical supply and medical maintenance support which was retained by The Surgeon General (TSG), communication systems which were retained by the US Army Communications Command (USACC) (designated as the US Army Information Systems Command (USAISC) by GO 26, 25 Jul 84, effective 15 May 1984), and installation facilities which were retained by the Chief of Engineers.

c. DCSLOG was relieved of command-like responsibilities for the technical services and planning and policy responsibilities were reemphasized. Currently, DCSLOG has Army General Staff responsibility for:

(1) Development and supervision of the Army logistics organization and systems worldwide, including plans, policies, programs, doctrine, and standards.

(2) DOD interservice, interdepartmental, and interagency support programs within the Army, and proponentcy for joint service policy for implementing the DOD program.

(3) Joint logistics coordination and support.

(4) Commercial and industrial activities programs.

(5) Logistics information systems which pertain to assigned functional areas of responsibility.

(6) Logistics planning and logistics operations for US and other national forces.

(7) Logistics readiness of US Army forces.

(8) Approval of the equipment portions of authorization documents.

(9) Logistics aspects of simulation and gaming techniques, studies, tests, and evaluations.

(10) Formulation, management, and program guidance for maintenance-related logistics policy including field service, integrated logistics support (ILS), maintenance engineering, and logistics systems supportability, as it pertains to retail (Army in the field) and wholesale (depot and contractual) activities world-wide; insuring that maintenance is adequately considered in allocation and use of all resources; developing uniform overhaul, issue, and shipping standards for Army equipment; establishing environmental preservation and pollution controls applicable to all Army mobile equipment.

(11) Insuring that equipment is logistically reliable, supportable, and maintainable and developed with full consideration for environmental factors and human factors; insuring that logistics support aspects are planned, programmed, tested, acquired, and deployed in phase with the equipment it is designed to support; providing membership in the Army Materiel Acquisition Board and the Army Systems Acquisition Review Council (ASARC).

(12) Development of guidance for: distribution of materiel including ammunition: wholesale and retail supply; secondary item peacetime and war reserve requirements; storage; asset reporting; cataloging; materiel utilization; DOD military standard system; vertical supply management; major item distribution plans; demilitarization of surplus equipment; direct support system; care and preservation of materiel in storage;

ammunition surveillance and maintenance; explosive ordnance disposal; selected item management system; the command supply discipline program; acid redistribution or disposal of surplus and foreign excess personal property.

(13) Development of concepts and guidance for evolution of automated management systems applicable

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to supply, international logistics, to supply, international logistics, maintenance, troop support, and transportation.

(14) Development and coordination of policy for logistics interrelationships, mutual servicing, and ILS.

(15) Directorship of the Army Stock Fund (ASF) and those secondary items obtained with the procurement appropriations (aircraft, missiles, weapons, tracked combat vehicles, ammunition, and other).

(16) Coordinating, development, and issuance of Army-wide security assistance (SA) policy and Army input to US SA Programs. SA responsibilities are primarily performed through an Assistant DCSLOG who interacts with DOD and other military departments and services as the principal Army Staff spokesman and staff focal point on SA matters.

(17) Those financial inventory accounting systems which are used for logistics management purposes.

(18) Coordination of the Army Energy Program.

(19) Petroleum, oils, and lubricants (POL) management.

(20) Army-wide logistics support services; e.g., commissary operations, food service, and clothing.

(21) Transportation and related services required for the movement of persons and things; transportation engineering and standardization; strategic movement matters; strategic mobility planning including force structure development and development of preferred force levels of airlift and sealift forces and contingency plans; intermodal distribution systems including surface container-support distribution systems development.

d. DCSLOG serves as the program director for airlift and sealift and forces for central supply and maintenance logistics, which are 2 of the 10 major programs of the Five Year Defense Program (FYDP). In addition, he is program element director for base operations in certain logistics areas. He integrates the depot maintenance requirements of the National Guard and Reserve forces into the total depot maintenance program. He further acts as the budget program director for specific categories in the Military Assistance Program (MAP) budget structure. To aid in performance of his myriad duties and responsibilities, he exercises supervision and control over the US Army Troop Support Agency (TSA) and the US Army Logistics Evaluation Agency (LEA).

e. Other DA Staff agencies which have major responsibilities in the Army supply system are the Chief of Engineers, who is responsible for facilities and structures management; the Deputy Chief of Staff for Research, Development, and Acquisition (DUSRDA), responsible for materiel acquisition and industrial preparedness planning; the Deputy Chief of Staff for Operations and Plans (DCSOPS) manages a structure and composition system which provides a summation of manpower and equipment required and authorized for a selected Army force structure over a prescribed planning period. DCSOPS also manages the Army Priority System for major item distribution to include the DA Master Priority List (MPL) and DA Program Priority List; TSG, for medical materiel; the USACC for communication systems materiel; and the US Army Intelligence and Security Command (INSCOM) for materiel peculiar to its needs.

- a. The US Army Materiel Command (AMC), consists of a nationwide network of 65 installations and 101 subinstallations and separate units.
- b. It is responsible for the life-cycle materiel functions formerly performed by six of the Army's seven technical services (Ordnance, Signal, Quartermaster, Engineers, Transportation, and Chemical), including research and development; test and evaluation; procurement and production; storage and distribution; inventory management; maintenance; and disposal.
- c. AMC has inventory management responsibility for approximately \$21.7 billion in wholesale stocks on hand in Continental United States (CONUS) depots, of which \$7.1 billion is ammunition. AMC directly employs approximately 10,700 military personnel and 111,200 civilian personnel.
- d. With headquarters in Alexandria, VA, it operates through major subcommands and directs the activities of depots, laboratories, arsenals, maintenance shops, proving grounds, test ranges, and procurement offices throughout the United States.
- e. AMC headquarters furnishes overall policy guidance for its far-flung operations. The major subordinate commands (MSC) serve as the "midmanagement level." Individual installations and activities accomplish the actual execution of the Army's materiel program.
- f. AMC also makes maximum use of "vertical management" techniques, employing program, project, and product managers to expedite the development, production, and delivery of critical weapon (equipment) systems. To achieve this objective, HQ, AMC weapon system staff management employs the matrix management concept operations; i.e., every item, system, or equipment managed by DARCOM shall be assigned for staff management to either the Director of Development, Engineering and Acquisition, or the Director of Supply, Maintenance, and Transportation. These two directors are designated weapon system directors and all other directors and office chiefs are designated functional directors.
- g. At AMC headquarters, there are three deputy commanding generals: The Deputy Commanding General for Research, Development, and Acquisition; the Deputy Commanding General for Materiel Readiness; and the Deputy Commanding General for Resources

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and Management. Each is responsible for directing all subordinate echelons within respective mission areas.

- h. Deputy Commanding General for Research, Development, and Acquisition assists the Commanding General by exercising direction of AMC research and development elements with their assigned program/project/product management offices; the research laboratories; US Army Test and Evaluation Command (TECOM); all research and standardization of fires; and the Foreign Science and Technology Center (FSTC). He also serves as Executive Director for Chemical and Nuclear Matters (EDCNM).
- i. Deputy Commanding General for Materiel Readiness assists the Commanding General by exercising direction of AMC materiel readiness elements and their assigned program/project/product managers; the US Army Depot System Command (DESCOM); the Security Assistance Center; arsenals; and logistics assistance offices. He also serves as Executive Director for Conventional Ammunition under the Secretary of the Army's mission as DOD single manager for conventional ammunition; and as Executive Director for Test, Measurement, and Diagnostic Equipment (TMDE) under the AMC Commanding General's mission as DA Executive Agent for TMDE.
- j. Deputy Commanding General for Resources and Management oversees management and control of total command resources. He has responsibility for formulating and maintaining systems and procedures for which the development and execution of each appropriation budget is fully balanced

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and integrated-to include providing a consistent resources management
framework for development testing, procurement, production, and ILS planning.

3-3. AMC major subordinate commands

a. The present AMC organization includes Army Armament, Munitions, and Chemical Command (AMCCOM); the Army Aviation Systems Command (AVSCOM); the Army Communications-Electronics Command (CECOM); DESCOM; the Army Missile Command (MICOM); US Army Materiel Development and Readiness Command. Europe (DARCOM-EUR); US Army Security Assistance Center (USA-SAC); the Army Tank-Automotive Command (TA-COM); the Army Test and Evaluation Command (TECOM); the Army Troop Support Command (TROSCOM); and the Electronics Research and Development Command (ERADCOM).

b. In addition to the above commands, AMC encompasses a number of program/project/product managers, various laboratories, schools, and centers.

c. AMCCOM, headquartered at Rock Island, IL, is the armament development and provisioning element of AMC, responsible for the development, production, and readiness of armament systems and ammunition-the "guns and bullets" of the combat soldier. It provides unified life-cycle management of weapons, ammunition, and chemical materiel.

(1) AMCCOM's management responsibility extends to a wide variety of items, including towed and self propelled artillery, mortars, recoilless rifles, rocket launchers, and individual and crew-served weapons. As the "Crossroads of the Armament Community," AMCCOM provides systems and components to support the tanks, aircraft, and missiles managed by other DARCOM commands.

(2) Since 1977, AMCCOM has also been the single manager for the procurement, production, supply, maintenance, and transportation of conventional ammunition for DOD.

(3) The AMCCOM complex includes the headquarters, four arsenals, 30 ammunition plants and activities, two research and development centers, the Defense Ammunition Center and School, and various other field and support activities. Rock Island Arsenal in Illinois is best known for the production and assembly of gun mounts, receivers, and recoil mechanisms, and for its tool set assembly mission. Watervliet Arsenal has the unique mission of producing gun and cannon tubes for the Army, Navy, and Marines.

(4) Pine Bluff Arsenal is responsible for defensive chemical munitions and equipment and is the only current site at which white phosphorus-filled items are loaded. Rocky Mountain Arsenal performs demilitarization of obsolete chemical agent identification sets.

(5) Most of AMCCOM's ammunition plants and activities are operated by private contractors, although they are Government owned and about half are in active status. A new facility, the Mississippi Army Ammunition Plant in Picayune, Mississippi, is the first new plant since World War II. Other AMCCOM activities include the Central Ammunition Management Office-Pacific, HI; the Defense Ammunition Center and School, Savanna, IL; Technical Escort Unit, Aberdeen Proving Ground, MD; the Munitions Production Base Modernization Agency, Dover, NJ; and the Army Armament Research and Development Centers at Dover, NJ and Aberdeen Proving Ground, MD.

(6) AMCCOM is responsible for the research and development of gun weapons systems, to include ammunition and fire control, for the Army and for other DOD agencies as directed. The command's responsibility includes initial procurement life-cycle engineering.

(a) Two of its four major laboratories-the Large Caliber Weapon Systems Laboratory and the Fire Control and Small Caliber Weapon Systems Laboratory-and most of its administrative and technical support activities are located at Dover, NJ. The other two

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principal laboratories-the Chemical Systems Laboratory and the Ballistics Research Laboratory-are at Aberdeen Proving Ground, MD. The Benet Weapons Laboratory, an element of the Large Caliber Weapon Systems Laboratory, is a tenant activity at Watervliet Arsenal, NY.

(b) Project managers for the Cannon Artillery Weapons Systems/JPM Semi active Laser Guided Projectiles (CAWS), Sergeant York Air Defense Gun, and smoke/obscurants are assigned to AMCCOM.

(c) The command's mission-improving those systems already in the field and developing better systems to replace them-encompasses the following assigned materiel: Artillery weapon systems; infantry weapon systems; air defense systems; aircraft weapon systems; armor-piercing projectiles; surface vehicle mounted weapons; rocket and missile warhead sections; fire control systems; demolition munitions; mines, bombs, and grenades; pyrotechnic systems and munitions; smoke and other obscurants; chemical and riot control systems; chemical and biological protection systems; explosives and propellants; launch and disperser systems; and practice and training munitions.

d. AVSCOM serves as the DARCOM lead command for current and future Army aviation-related research, development, initial procurement, provisioning, and materiel support. AVSCOM is head quartered at St. Louis, MO, with subordinate activities located throughout CONUS. The scope of AVSCOM's work includes both fixed-wing and rotary-wing aircraft and projecting materiel needs, budgeting, cataloging, distribution maintenance, as well as research and development for Army aviation materiel.

(1) Project/product managers have specific systems requiring intensive centralized management. AVSCOM currently has project managers assigned to the AH-1S Cobra Helicopter and the UH-60A Black Hawk; a product manager for special electronic mission aircraft (SEMA).

(2) AVSCOM's Research and Technology Laboratories organization, with headquarters at Moffett Field, CA, consists of the Aeromechanics Laboratory at National Aeronautics and Space Administration (NASA) Ames Research Center, also at Moffett Field; the Propulsion Laboratory at NASA Lewis Research Center, Cleveland, OH; the Structures Laboratory at the NASA Langley Research Center, Langley AFB, VA; and the Applied Technology Laboratory at Fort Eustis, VA. These laboratories perform the majority of the aeronautical research and development work. Major ongoing technology demonstration efforts include advanced composite airframes, digital/optical flight controls fuel-efficient turboshaft engines, and adverse weather fire control systems. Three recent demonstrator aircraft sponsored by AVSCOM include: the Rotor Systems Research Aircraft (RSRA), the advancing blade concept (ABC) Aircraft, and the XV-15 Tilt Rotor Research Aircraft.

(3) The US Army Avionics Research and Development Activity (AVRADA), located at Fort Monmouth, NJ, is the aviation-electronics arm of AVSCOM. AVRADA's principal thrust is the development and integration of digital electronics systems for improved mission accomplishment and enhanced man-machine interface. The US Army Aviation Engineering Flight Activity (AEFA), Edwards Air Force Base, CA, conducts flight tests on Army aircraft and subsystems. AEFA has recently installed the Nation's newest real-time flight test data system.

(4) AVSCOM has Army Plant Representative Offices (ARPRO) at Boeing Vertol, Philadelphia, PA; Bell Helicopter Textron, Fort Worth, TX; and Hughes Helicopters, Inc., Culver City, CA. The ARPROs are responsible for contract administration, quality assurance, flight acceptance, and property administration at the contractor's facilities.

(5) The Advanced Scout Helicopter Project Manager (PM), Aircraft Survivability Equipment PM, CH-47 Modernization PM, Tactical Airborne Remotely Piloted Vehicle/Drone System PM, and more recently, the Joint Systems Advanced Vertical Lift Aircraft (JVX) PM are located with AVSCOM in St. Louis. While the PM office for the Advanced Attack Helicopter (Apache) is under the direct control of HQ, AMC, it is collocated with HQ, AVSCOM for administrative, technical, and contractual support.

e. The CECOM mission covers the full spectrum of services to the soldier

in the field of communications-electronics. The initial process of converting concepts into new communications equipment and systems is conducted in the Research and Development Center comprised of 10 program/project/product managers and three laboratories, and a center for systems engineering and integration. The Research and Development Center is dedicated to the development and acquisition of command, control, and communications (C3) systems that will enhance the ability of the battlefield commander to achieve assigned missions. Such systems help the commander, in a timely manner, perceive the battlefield, plan operations, allocate and sustain forces, and successfully engage the enemy. These systems represent an all-important force multiplier. CECOM's mission is twofold-development and acquisition of C3 systems and the support of those systems in the field.

(1) At the CECOM Research and Development Center, communications-electronics weaponry for the US Army of the future is taking shape today in three laboratories, or centers as they are called. The Center Tactical Computer Systems (CENTACS) conducts technology-based research and development in embed-

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ded computer science and systems and develops hardware and software for computer systems for diverse applications. CENTACS also shares technical expertise with development managers and provides postdeployment software support for communications systems.

(2) The Center for Communications Systems (CENCOMS) provides engineering support to the project managers for C3 systems and conducts research and development programs to produce advanced communications technology, equipment, and systems. With the goal of achieving survivable, mobile, intercept, and jam-resistant battlefield communications, key technology efforts address HF through millimeter wave radio, fiber optics, antennas, communications security, information distribution, and network management.

(3) Supporting the R&D Center operations are field offices throughout CONUS and an office in Heidelberg, West Germany. The CECOM organization includes 10 development managers. Seven project managers direct Army efforts in Army Tactical Communications Systems, Operations Tactical Data Systems, Position Locating Reporting Systems/Tactical Information Distribution Systems, Satellite Communications, Single Channel Ground and Airborne Subsystems, Field Artillery Tactical Data Systems, and Multiservice Communications Systems. A program manager directs the TMDE modernization effort. Reporting to him are two project managers-for Test, Measurement, and Diagnostic Systems; and for Army TMDE.

(4) Once a communications-electronics system or item moves out of the research and development stage, CECOM must acquire and manage it. As the Army's direct link with the electronics industry, CECOM contracts for the full range of communications-electronics equipment and systems, along with spare parts, tools, and special items for maintenance repair. CECOM's national inventory control point (NICP) plays a key role in keeping fielded communications-electronics equipment in a high state of readiness. This task includes worldwide materiel management of communications-electronics systems and support items. The CECOM national maintenance point (NMP) provides maintenance and engineering expertise on maintainability of communications-electronics materiel from concept to obsolescence. Support is provided to field armies by CECOM's field services activities through its Logistics Assistance Offices throughout CONUS and overseas.

(5) The CECOM Television-Audio Support Activity (TASA), at Sacramento (California) Army Depot, is the Army life-cycle manager for nontactical, commercial broadcasting and television equipment for the Armed Forces.

(6) CECOM's Communications Security Logistics Agency (CLSA), at Fort Huachuca, Arizona, provides commodity management of communications security

equipment, aids, and accountable spare parts.

(7) The Electronics Materiel Readiness Activity (EMRA), Vint Hill Farms Station, Warrenton, Virginia, furnishes commodity management and depot level management for signal intelligence/electronic warfare equipment and systems. It supports INSCOM and other SIGINT/EW units and activities worldwide.

f. DESCOM, with headquarters at Letterkenny Army Depot, Chambersburg, PA, commands and controls the 12 depots and seven depot activities in the United States and West Germany that comprise the US Army Depot System.

(1) DESCOM is a major AMC interface with the soldier in the field. The DESCOM depots store and ship a broad range of general supplies and munitions managed by the Army, Defense Logistics Agency (DLA), and other agencies, to US and allied units worldwide. Half of DESCOM's personnel and three quarters of its budget are involved in depot-level maintenance on most of the equipment in the Army's inventory. The depots also offer a wide variety of customer assistance to units in the field and provide extensive "on-the-job" training to both Active and Reserve Army personnel.

(2) DESCOM headquarters provides logistics planning and programming for worldwide asset control and equipment distribution through the Continuing Balance System-Expanded (CBS-X) and the Total Army Equipment Distribution Program (TAEDP).

(3) In addition, DESCOM is responsible for maintaining, overhauling, and repairing all major Army systems, from those as large as tanks to those as small and intricate as laser range-finding units. Providing this service not only keeps the Army in a state of readiness but offers the taxpayer an economical alternative to procurement. For example, DESCOM can overhaul and convert an M60A1 tank to the improved M60A3 configuration for 17 percent of the cost of buying a new one. The key to performing these missions is DESCOM's employees, who possess a wide range of industrial skills in fields such as engineering, electronics, metalworking, and ammunition surveillance and maintenance.

(4) DESCOM includes:

- Anniston Army Depot, Anniston, AL
- Lexington-Blue Grass Depot Activity, Lexington KY
- Corpus Christi Army Depot, Corpus Christi, TX
- Letterkenny Army Depot,
Chambersburg, PA
- Savanna Army Depot Activity, Savanna, IL
- Mainz Army Depot, Mainz, Germany

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- Oberramstadt Army Depot Activity,
Oberramstadt, Germany
- New Cumberland Army Depot,
New Cumberland, PA
- Red River Army Depot, Texarkana, TX
- Sacramento Army Depot, Sacramento, CA
- Seneca Army Depot, Romulus, NY
- Sharpe Army Depot, Lathrop, CA
- Sierra Army Depot, Herlong, CA
- Tobyhanna Army Depot, Tobyhanna, PA
- Tooele Army Depot, Tooele, UT
- Pueblo Army Depot Activity, Pueblo, CO
- Umatilla Army Depot Activity, Hermiston, OR
- Fort Wingate Army Depot Activity, Gallup, NM
- Navajo Army Depot Activity, Flagstaff, AZ

g. ERADCOM is the Army center for the research, development, and acquisition of intelligence and electronic warfare (IEW) equipment. ERADCOM also provides the Army with electronics and electro-optics technology basic

research.

(1) The equipment developed by ERADCOM enables soldiers to see deep into the battlefield day or night, in any kind of weather, and through any type of obscurant.

(2) To protect friendly assets and to win on tomorrow's highly mobile, dispersed, and electronically dense battlefield, ERADCOM develops countermeasure and counter-countermeasure devices. Some of them neutralize the enemy's IEW efforts, while others make weapons less vulnerable to enemy sensors.

(3) ERADCOM also develops a broad range of electronic systems and components that support major Army battlefield systems. For example, ERADCOM builds fuses for the Patriot, the Multiple Launcher Rocket System (MLRS), and the eight-inch nuclear projectile; radars and radar detection systems for fixed-and rotary-wing aircraft; electronic surveillance and countermeasures devices for a wide variety of C3I systems and applications; night vision equipment for the TOW, Dragon, aircraft, tanks, and the individual soldier; power sources for unique applications such as fuses, expendable jammers, and surveillance devices; and meteorological acquisition and processing equipment that supports the field artillery and even the space shuttle.

(4) A widely dispersed Army command, its seven laboratories are devoted separately to basic research and systems applications. The research laboratories develop basic technology to the point where it is mature enough to put on a system. The system laboratories then take over and install the developed technology in a test bed to demonstrate its application in the field.

(5) Engaged in basic research are the Electronics Technology and Devices Laboratory (ETDL) at Fort Monmouth, NJ, Harry Diamond Laboratories (HDL) in Adelphi, MD, and the Night Vision and Electro-Optics Laboratory (NVEOL) at Fort Belvoir, VA. Developing the electronic weaponry for the Army's major weapon systems are the Electronics Warfare Laboratory (EWL) and the Combat Surveillance and Target Acquisition Laboratories (CSTAL) at Fort Monmouth and the Signals Warfare Laboratory (SWL) at Warrenton, VA. ERADCOM's seventh laboratory, Atmospheric Sciences Laboratory (ASL) at White Sands Missile Range, NM, is primarily a modeling lab engaged in meteorological research. Twelve meteorological teams stationed from Panama to Alaska carry out weather tests for ASL.

(6) In addition to its laboratories, ERADCOM has two project managers-Remotely Monitored Battlefield Sensor System (FIREFINDER/REMBASS) and Battlefield Data System (BDS) - along with one product manager, Modular Integrated Communications Navigation System (MICNS). All are located in the Evans area of Fort Monmouth. An aircraft support activity is located at Lakehurst, NJ. EWL also has two subordinate activities, the Intelligence and Materiel Development Support Office at Fort Meade, MD, and the Office of Missile Electronic Warfare at White Sands, NM.

h. MICOM manages the Army's missile and rocket program. Their major responsibilities include research, development, procurement, and continued support of weapons systems once they achieve operational status with Army units worldwide. The command also manages all sales of Army missiles and rockets to friendly foreign nations.

(1) Most of the command's people and its headquarters are at Redstone Arsenal, AL. The 38,000-acre home of Army missiles includes flight test ranges, laboratories, and other specialized buildings and equipment with a total investment value of more than \$525 million.

(2) Major weapon systems managed by special project/product offices within MICOM include the operational Hawk; Chaparral/FARR Missile and Radar System; Stinger; the 2.75-inch aircraft rocket; the TOW anti tank guided missile; and the Pershing ballistic missile. Systems being developed under MICOM management include US Roland air-defense guided missile; the MLRS, a multiple-launch rocket system; Viper, a short-range anti tank weapon; Hellfire, a helicopter launched air-to-ground missile; Pershing II, the Army's new, high-accuracy long-range ballistic missile; and Rattler, a replacement for Dragon.

(3) The command is also the center of laser research for the Army and manages efforts to develop laser weapons as well as laser designators used by soldiers to guide missiles to their targets.

(4) MICOM includes:

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(a) The US Army Missile Intelligence Agency, which maintains, produces, and disseminates scientific and technical intelligence concerning foreign missile and space activities.

(b) The US Army Redstone Arsenal Support Activity.

(5) The US Army Patriot Project Office is dedicated to managing the Patriot Air Defense System. Though based in neighboring Huntsville, AL, and administratively supported by MICOM, it reports directly to AMC headquarters.

(6) The US Army TMDE Support Group has worldwide responsibility for calibration support of all Army weapons and equipment. Though based at and administratively supported by MICOM, the support group is under direct control of HQ, AMC and reports to the executive director for TMDE.

i. TACOM, with headquarters in Warren, MI, develops, procures, distributes, and supports combat, tactical, special-purpose, and construction vehicles. Its mission is worldwide in scope and includes among its customers DOD users and those of friendly foreign governments. One of the major functions of TACOM is to serve as an NICP and as an NMP point for the tank automotive material which it manages. As the lead laboratory for all tank science and technology base programs, the command serves as system integrator and provides central management and program direction. The TACOM work force, military and civilian, are assigned to project and product managers for improved TOW vehicle, M60 tank program, heavy equipment transporter, M113 family of vehicles, armored combat vehicle technology, commercial construction equipment/selected materials handling equipment, light armored vehicle and armored combat earthmover. The command also provides engineering services to program managers, M1 Abrams tank system, and Bradley fighting vehicle systems.

j. TECOM is located at Aberdeen Proving Ground, MD. TECOM's mission is to plan, conduct, and report results on systems development tests and on other tests performed during the Army material life cycle-production, post-production, product improvement, and feasibility. TECOM also evaluates and tests foreign materiel for possible US acquisition.

(1) The command directs and manages nine test agencies from the Chesapeake Bay to the western desert of Yuma, AZ, and from Alaska to the Republic of Panama.

(2) The Army, Navy, Air Force, and Marines use the commands assets. As the operator of the US Army White Sands Missile Range, NM, the only all-land national missile range in the United States, TECOM performs tests for NASA.

(3) Testing for AMC subordinate developing commands is a routine part of the TECOM mission. Each developing command develops and produces specific hardware. Since none have the total facilities to test what it produces, TECOM's unique capabilities are used by almost every producer of Army materiel.

(4) The TECOM job is to insure that the soldier-in combat or in support-gets what he expects from his materiel and that he can count on it working.

k. TROSCOM is an MSC, located in St. Louis, MO, tasked with providing people, material, and facilities to support soldiers around the world. An action command, TROSCOM's mission is to provide research, development, and material support for a wide range of troop support equipment for the entire DOD and 50 friendly nations of the world. The scope of this work ranges from fleets of amphibians and watercraft to field support items such as

generators, bridges, water purifiers, camouflage, mine detectors, air-conditioners, heaters, fuel storage and distribution equipment, compasses, and surveying instruments.

(1) Personnel are located in St. Louis, and at the St. Louis Area Support Center in Granite City, IL; the US Army General Materiel and Petroleum Activity in New Cumberland, PA; and the US Army Support Activity in Philadelphia, PA.

(2) Materiel support includes the management processes of projecting the materiel needs; determining quantity; insuring timeliness of items; cataloging and systemizing the supply; and budgeting, distribution, and maintenance for troop support items, as well as handling all requisitions for this equipment.

(3) To effectively and efficiently fulfill these diverse responsibilities, TROSCOM coordinates operations through project and product managers, readiness project officers, and materiel and item managers.

(4) TROSCOM's research and development tasks are accomplished at its 240-acre headquarters and main laboratory complex supplemented with an 820-acre test area located on Fort Belvoir, and the US Army Fuels and Lubricants Research Laboratory (AFLRL) in San Antonio, TX. Research and development in fuels and lubricants there are designed to improve the survivability and operational readiness of combat equipment. Its research and development, engineering, and initial production buys are concentrated in the areas of mobility/countermobility, survivability, energy, and logistics systems. All are geared to provide the United States with a superior combat and deterrent force through development of a superior materiel and technical capability in both combat support and combat service support.

(a) The command holds Army lead laboratory status for countermine in the mobility/countermobility area. Other fields of endeavor in this program area are bridging, construction equipment, and barriers.

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(b) Survivability includes camouflage, another lead-laboratory designation; field fortifications; physical security; tunnel detection; topographic equipment; and counterintrusion sensors.

(c) In the energy program area, the command's fields of endeavor are electric power, fuels and lubricants, and heaters and air-conditioners.

(d) Logistics comprises water supply, fuels handling, supply distribution, marine craft, and support equipment.

(e) Among TROSCOM's many and varied projects in support of the field Army, top priority is currently assigned to eight developments. They are the airborne minefield detection system (AMIDS); the counterobstacle vehicle; the surface launched unit, fuel air explosive (SLUFAE) mine neutralization system; the 300 gph reverse osmosis water purification unit (ROWPU); petroleum distribution equipment; the 1.5 kW methanol-air fuel cell; the light assault bridge; and pulse power sources for weapons systems. Readiness project officers manage a wide range of combat support systems and commodities. They are responsible for the success or failure of systems' programs, providing a single resource element for the field, creating lasting problem solutions, providing timely support, and promoting confidence in TROSCOM's ability to handle routine and priority problems. Materiel and item managers are responsible for a diverse group of commodities, such as altimeters, rotor blades, repair shops for clothing, bath units, water purification sets, and mapping and topographic equipment.

(f) Rapid deployment force water supply equipment heads the command's priority first-time buys. Others are the 600 gph ROWPU; the bridge erection boat; the lighter, air cushion vehicle, 30-ton capacity (LACV-30); and the link reinforcement set for the medium girder bridge (MGB).

(g) The wide range of advanced technology inherent in TROSCOM's

scientific and engineering work force attracts substantial funding from project managers-including those of Patriot, FIREFINDER/REMBASS, and the M-1 Abrams Tank; from other defense agencies; and from Government departments such as Energy.

(5) Additional research and development functions are performed at TROSCOM's Natick Laboratories in Natick MA. NLABS has the responsibility of sustaining and protecting the soldier in any environment.

(a) Military and civilian employees assigned to the four major laboratories at Natick constantly seek new or better ways to provide improved uniforms, combat clothing, and field equipment; combat rations; field feeding preparation and serving equipment and systems; and the means to rapidly deliver needed personnel and supplies from the air.

(b) Aeronautical and mechanical engineers and parachute equipment specialists develop the means for delivering personnel and supplies from aircraft in flight, while still others design and develop organizational support equipment such as shelters and heaters.

(c) Important developments include the highly efficient MC-1 steerable personnel parachute and the CTU-2A torpedo-shaped pod container, which can be dropped from high-speed aircraft to pinpoint locations.

(d) Research and development in the protective clothing and food areas provide basic necessities for the survival of the combat soldier.

(e) A vastly improved personnel body armor system, consisting of a new helmet and protective vest made of a high-strength synthetic fiber (Kevlar) and providing significantly increased protection to the soldier, was adopted by the Army in 1978.

(f) Because of its revolutionary advances in the composition, packaging, and preparation of foods, the Food Research and Development Program has provided a wide variety of new and efficient food service systems to feed military combat personnel.

1. AMC-EUR, (formerly DARCOM-EUR), an extension of AMC, exercises, command or operational control of all AMC activities supporting USAREUR. Its major responsibilities include long-range planning for peacetime and emergency/mobilization; providing logistics assistance; serving as focal point for AMC support to USAREUR; and functioning as a clearinghouse for AMC personnel entering or leaving Europe.

(1) Activated in July 1982, AMC-EUR is located at Hammond Barracks in Seckenheim, Germany, and employs approximately 90 civilian and military personnel. AMC-EUR is a new command established onsite to improve overall AMC support to Europe, and involves more than 40 activities and locations throughout the European theater. Additionally, force modernization efforts, which increase the number and types of systems requiring support, add to the need for centralized command or control.

(2) AMC-EUR strengthens AMC's support role under wartime planning by providing one control element in the theater for DARCOM activities. This command monitors TMDE repair and calibration activities in Europe; maintains continuous overview, monitoring, and coordination of the Force Modernization Program for all AMC activities in Europe; and performs liaison activities to improve customer service. AMC-EUR also facilitates communication between USA-REUR elements and the supporting DARCOM CONUS logistical base.

(3) AMC-EUR's long-term benefit to USAREUR is improved readiness, AMC-EUR's support to the soldier in the field is driven by its readiness and willingness

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to help anywhere at anytime.

m. USASAC administers the Army's security assistance program for the Commander, AMC, who has been designated as the DA Executive Agent for Security Assistance. USASAC manages the program from the initial planning

phases and definition of requirements for materiel and services to the completion of accounting and closure of individual Foreign Military Sales (FMS) cases and MAP Grant Aid lines.

(1) USASAC is the focal point within DA for coordination and interface of security assistance program activities worldwide. Policy guidance is received from HQDA, Office of the Secretary of Defense, and the Department of State. AMC major subordinate commands, General Services Administration (GSA), DLA, and the private industrial sector all provide material and services for foreign customers. USASAC works closely with many foreign countries and their embassies, other military services and unified commands, Defense Attache Offices, Military Assistance Advisory Groups, and other incountry organizations to provide friends and allies of the United States an increased capability to defend themselves. The PM for the Saudi Arabian National Guard (SANG) reports directly to USASAC.

(2) USASAC is located at Alexandria, VA, and New Cumberland Army Depot, PA.

3-4. Program/project/product management

a. Program/project/product management, which involves intensive centralized management of a weapon system or service, has proven its worth in the AMC community as a modern and efficient management technique.

b. An analysis of AMC operations will disclose that a relatively small number of programs account for a large percentage of AMC's allocated financial resources. Consequently, in most cases, AMC gives these programs special management attention by placing them under program/project/product managers.

c. The criteria used to identify these special programs include: significant anticipated expenditure of funds or a high total system unit cost; high-level interest in the program by Congress, the Secretary of Defense, the Secretary of the Army, or the Chief of Staff, US Army; significant impact on the US military posture; complexity requiring an unusual amount of participation by numerous commands and agencies; and unusual difficulties which need intensive management to satisfy an urgent requirement.

d. The managers are selected by a DA General Officer Board and each receives a formal written charter, signed either by the Secretary of the Army or the Commanding General, AMC. That charter gives each manager responsibility for the assigned program and the full-line authority of the Commanding General, AMC, to accomplish his tasks.

e. Using the money and other resources provided, the managers then direct activities in such a manner as to successfully reach stated cost, performance, and schedule goals. This might involve tasking the AMC major subordinate commands or agencies outside the AMC community. Depending upon the nature and complexity of the program, a manager either reports directly to the Commanding General, AMC, or the appropriate major subordinate commander.

f. The following managers report directly to HQ, AMC: Advanced Attack Helicopter; Target Acquisition Designation System/Pilot Night Vision System; Defense Communications Systems (Army); Bradley Fighting Vehicle Systems; Joint Tactical Fusion Program; Mobile Electric Power; Nuclear Munitions; Patriot; Training Devices; and M1 Abrams Tank.

g. Other managers are listed in appropriate subcommand narrative portions of this pamphlet.

3-5. AMC Laboratories/centers/office

a. Each of the research and development and commodity commands has one or more laboratories integrated into its structure. These laboratories perform research and development in the sciences and technologies necessary for conceiving, designing, developing, and evaluating weapons, equipment, and systems—all at minimum total cost and with adequate performance to meet approved operational requirements.

b. The Human Engineer Laboratory (MEL) is located in Aberdeen Proving Ground, MD. This is a unique central laboratory that provides research and development support to AMC commodity commands and project managers in the human factors engineering technology area. It conducts: fundamental and applied research; weapon system concept feasibility studies; and system performance studies.

(1) It provides human factors engineering applications support on materiel items in various research and development stages and serves as the lead Army agency in the areas of Military Operations in Builtup Areas (MOBA) and robotics.

(2) Created in 1951, the laboratory has gathered facts and references from all over the world into a data bank which serves all appropriate DOD agencies and their contractors. The laboratory publishes over 1,100 technical reports on its research findings in a wide variety of subjects pertaining to human performance and the design of weapons, tanks, small arms, aviation, artillery, missile systems, communication and electronic equipment, clothing, body armor, and helmets.

c. Army Materials and Mechanics Research Center (AMMRC) is located in Watertown, MA, at the site of the former historic Watertown Arsenal. AMMRC is the modern materials research and development activity

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responsible for managing and conducting the AMC research and exploratory development program in materials and solid mechanics. Its charter as the AMC lead laboratory for materials, solid mechanics, and materials testing technology (MTT) requires the center to perform research and development projects ranging from the synthesis of new and improved materials and designs to the prototype manufacturing of components for Army weapon systems.

(1) In addition, the center develops both destructive and nondestructive methods of materials testing and manages the MTT program for AMC. As an integral part of its MTT mission, AMMRC conducts the AMC Nondestructive Testing (NDT) Certification Program and provides NDT field support throughout DOD. The center is also responsible for managing and directing the Army portion of the Defense Standards and Specifications Program for materials.

(2) AMMRC manages DOD Information Analysis Centers, such as the Metals and Ceramics Information Center (MCIC) at Battelle Columbus Laboratories; the Thermophysical and Electronics Properties Information Analysis Center (TEPIAC) at Purdue University; and the Nondestructive Testing Information Analysis Center (NTIAC) at Southwest Research Institute.

(3) Examples of the utilization of advanced materials fostered by AMMRC include: a polyphosphazene rubber air plenum seal in the Abrams tank; a transparent blast shield for the Apache attack helicopter; spell suppression liners for the M113 armored personnel carrier; composite rotor blades for the Chinook cargo helicopter; and a cast titanium impeller for the T62 auxiliary power unit.

(4) AMMRC's research program is planned within seven major thrust areas: aircraft, armament, combat and tactical vehicles, missiles, mobility equipment, logistics, and personnel support. Among the primary guidance sources in formulating and prioritizing the program are the AMC Long-Range Research, Development, and Acquisition Plan; Training and Doctrine Command priorities and mission area analyses; and the material needs of the AMC MSCs and program managers.

(5) In-house research projects are carried out by the Ballistic Missile Defense Materials Program Office (BMDMPO) and three laboratories organized along technology lines: Mechanics and Engineering; Metals and Ceramics; and Organic Materials. Through close coordination within the entire DARCOM community, MMRC is able to fulfill its mission of assisting the Army in developing and maintaining the finest in modern weapon systems.

d. US Army Research Office (ARO), located in the Research Triangle Park, NC, is closely allied with AMC Laboratories. Its mission is to develop the AMC research program for mathematics and for the physical, engineering, environmental, and life sciences according to Army-wide requirements.

(1) This office manages the contracts and grants with educational institutions, research institutes, and Government and industrial laboratories. It administers the Scientific Services Program, the Junior Science and Humanities Symposium Program, and the Army Science Conference. It also coordinates Army participation in the International Science and Engineering Fair Program and the International Mathematics Olympiad. ARO also manages the Army's participation in the University Research Program for the Army, the Uninitiated Introduction to Engineering Program, and Research and Engineering Minority Apprenticeship Program.

(2) The research element of the US Army Research, Development, and Standardization Group-United Kingdom, is located in London, England. It supports the overall research and development program of the Army by initiating and maintaining technical liaison with leading scientists and research and development organizations of western Europe, the Middle East, and Africa. It also provides help to defray the administrative costs of international conferences and symposia.

3-6. AMC schools

AMC schools provide training to military personnel from all of the services and to civilian employees of DOD agencies.

a. The Army Logistics Management Center (ALMC) is located at Fort Lee, VA. ALMC's main mission is education, and its family of courses encompasses the spectrum of logistics management from research and development to property disposal and recycling. Students attending these logistics and logistics-related courses range from intern, middle management, and executive civilian personnel to noncommissioned officers and senior military officers.

(1) ALMC provides counseling and advice to activities installing learning resource centers. Students may pursue advanced degrees through a cooperative program with the Florida Institute of Technology and may qualify for certification in logistics-related areas through arrangements with several professional associations.

(2) ALMC formulates and publishes Army and defense logistics management doctrine through field manuals, pamphlets, technical manuals, and other official publications. It also provides an information service on Army and defense logistics systems as well as consultant services on logistics management problems.

(3) ALMC supervises the Intern Training Center

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at Red River Army Depot in Texarkana, TX, which conducts four engineering courses, a preengineering course, a supply management course, and a maintenance management course.

(4) ALMC is the home of the bimonthly Army Logistician magazine, the Defense Logistics Studies Information Exchange and, through a cooperative agreement with Fort Lee, the Army Logistics Library.

b. The US Army Management Engineering Training Activity (AMETA), located at Rock Island Arsenal, IL, plays a vital role in training throughout the Federal Government in scientific management practice. AMETA offers a 94-course curriculum, encompassing the latest advances in scientific management and technology.

(1) The course offerings range from basic technique application to the analysis of principles and concepts of management theory, with special emphasis on acquiring knowledge and skills that can be applied when the

student returns to his installation. Included are executive development, automatic data processing, management analysis, quality assurance, reliability and maintainability, work measurement, work planning and control systems, value engineering, and associated management engineering applications.

(2) Consulting and research are also an integral part of the overall mission accomplished by the AMETA staff and faculty.

(3) Students have received training at AMETA since its inception in 1952. Resident as well as onsite courses are conducted worldwide for AMC, DA, DOD, and other activities of the Federal Government.

(4) In 1974, AMETA also joined with the Florida Institute of Technology, Melbourne, FL, in offering an evening graduate-level management development curriculum, designed to provide a master's degree program for Federal employees as well as others in the surrounding non-Government community. The program is available to individuals who meet the admission requirements of the Florida Institute of Technology.

c. The Joint Military Packaging Training Center (JMPTC), located at Aberdeen Proving Ground, MD, conducts training in the doctrine and techniques of preservation, packaging, marking, and packing of military supplies and equipment for storage and transportation. Instructions are presented in resident, onsite, correspondence, and accredited off-campus classes. Students eligible for training are military and civilian personnel of all DOD services, other Federal agencies, Security Assistance Training Program countries, State, and municipal governments, and industrial contractors. Established in 1951 by the Secretary of Defense, JMPTC has trained military and civilian students worldwide.

(1) JMPTC conducts research to identify, develop, and adapt new concepts and techniques of packaging engineering into the training program and assigned Army-wide Training Literature Program (ATLP). This center develops, revises, and produces official training motion picture films, graphs, training aids, closed-circuit television tapes, three-dimensional training aids, and other educational media for use in the ATLP used by DOD activities to support JMPTC training.

(2) The mission also includes direction and coordination of the Training Assistance Program to military schools, and reviewing programs of instruction, lesson plans, and other joint training materials.

(3) Graduates of JMPTC courses may be able to obtain academic credit towards vocational certificates, associate or baccalaureate degrees.

(4) JMPTC serves as principal adviser to the Commanding General, AMC on military packaging training for DOD.

(5) AMC Industrial Training Programs are also conducted to meet a one-time or continuing need for AMC-related industrial training. The skills and techniques taught are associated with material testing, corrosion control, product inspection, and occupational safety and health. The programs are:

(a) Safety Training Program, conducted at the Field Safety Activity, Charlestown, IN.

(b) Materials Inspection and Nondestructive Testing Training Program, conducted at AMMRC, Watertown, MA.

(c) Prevention of Materials Deterioration: Corrosion Control, conducted by ARRCOM, Rock Island, IL.

(d) Product Assurance Industrial Training Program, conducted by CECOM, Fort Monmouth, NJ.

(e) Quality Assurance Training Program for Vehicle Inspection and Acceptance, TACOM, Warren, MI.

3-7. Other commands, Installations, and activities

a. Automatic Data Processing (ADP) Design Agencies Providing the Army and its customers with effective and reliable weapons systems and munitions for national defense and mutual security requires effective and reliable logistics systems. Emphasis on the development, installation, and operation of standardized ADP systems and equipment can be a major contributing factor

to attainment of the required effectiveness and reliability in logistics systems and is a continuing process within AMC.

b. Standard ADP system design and development activities of the command are managed principally by two central system design agencies under the operational control of the Director of Management Information Systems. These agencies are:

(1) The Automated Logistics Management Systems Activity (ALMSA), located at St. Louis, MO, was

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activated in 1967 as a central systems design activity HQ, AMC, responsible for designing, integrating, programing, testing, documenting, installing, and maintaining standard ADP systems and equipment configurations for AMC material readiness and research and development command elements. It also serves as the AMC focal point for ADP advanced technology as well as advanced techniques in teleconferencing, office automation, and information resources management (IRM). In this capacity, ALMSA has developed and maintained one of the largest ADP business and accounting systems ever developed, the Commodity Command Standard System (CCSS). The system is now installed at each of the material readiness command elements and provides rapid and effective support in all functional areas of logistics management.

(a) In addition, modern business systems in support of AMC project managers under the title of Executive Level Interactive Terminal Environment (ELITE) are operational throughout AMC using portable terminal and cathode-ray tube (CRT) work stations. Continued development and systems enhancement, using new state-of-the-art techniques, are the goals of ALMSA in maintaining the CCSS.

(b) As follow-on standard systems are developed for the material readiness and research and development commands, new innovations in hardware, software, and human engineering will provide a major thrust in meeting productivity increases. ALMSA is authorized 644 civilian and military personnel to perform these missions.

(2) Logistics Systems Support Activity (LSSA), located in Chambersburg, PA, is a central systems design activity of AMC responsible for the design, development, integration, programing, testing, documenting, installing, and maintenance of standard ADP systems and the preparation of directives to implement and maintain these systems for AMC activities and data banks. An integral part of the total scope of its program is standard systems applications, an integration of unique applications brought together for use by all AMC depots and other selected AMC activities.

(3) USACC is assigned communications-electronics, with headquarters at Fort Huachuca, AZ. USACC units are located at AMC installations to operate and maintain communication facilities required by those installations to meet mission needs. Although the units are under command of USACC-AMC, located at the AMC headquarters in Alexandria, VA, each is under the operational control of the installation commander and the director/commander of each USACC-AMC unit serves on the staff of the installation in the role of communications-electronics officer. Communications electronics requirements at DARCOM installations are expressed through DARCOM channels for validation and, when approved, are installed, operated, and maintained by USACC-AMC units.

(4) USA DARCOM Catalog Data Activity (CDA), New Cumberland Army Depot, PA, is a staff element of HQ, AMC, and has Army management responsibility for the central collection, maintenance, and distribution of logistics management data. CDA also serves as the Army manager for the Federal Catalog Program and the Defense Integrated Data System.

(a) The Army Central Logistics Data Bank maintained at CDA serves as the focal point for non-quantitative logistics management data in support of

Army logistics operations. A wide variety of ADP products and services is provided to Army activities from this data bank including monthly logistics data file updated for Army standard and nonstandard automated systems, special file replacements and extracts, management statistics, Supply Bulletin (SB) 700-20 publication data, files reconciliations, and interrogation and retrieval services using automated systems input or remote terminals. An extension of the data bank services offered by CDA is the Management Information Research Assistance Center (MIRAC) which provides "HOTLINE" management data research assistance to Army activities worldwide.

(b) As the Army manager for the Federal Catalog Program, CDA must participate in all catalog and logistics programs for DOD. The activity provides interpretation of Federal catalog policy as it applies to the Army.

(c) CDA also manages Army participation in the Defense Integrated Data System (DIDS) and participates at all levels in the development of DOD policies and procedures.

(d) CDA operates a Micrographics Service Center that develops and produces logistics publications on microfiche for worldwide distribution to Army activities, MAAG/mission, friendly foreign governments, and US Government contractors. In addition, micropublishing services are provided to other AMC activities. CDA maintains the largest micropublishing facility in the Army, producing over 38 million microfiche annually in support of approximately 13,800 customers.

(5) The US Army Central Test, Measurement, and Diagnostic Equipment Activity (USACTA), located at Lexington, KY, provides centralized life-cycle management of the Army-wide TMDE program. Its objectives include reducing proliferation of the TMDE inventory; improving the utilization of fielded TMDE; and maximizing cost-effectiveness and readiness.

(6) US Army Defense Ammunition Center and School (USADACS) is located at Savanna Army Depot Activity, Savanna, IL, and is under the command jurisdiction of the Commanding General, ARRCOM. It provides technical, logistical, engineering, training,

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career management, and other specialized services for and in support of worldwide ammunition logistics functions. The Ammunition School, an integral part of USADACS, provides technical ammunition training (both resident and mobile) for civilian career development programs and worldwide Army, Navy, Air Force, and military assistance programs for military and civilian personnel. The Defense Ammunition Center manages the Ammunition Depot Modernization Program and the Ammunition Civilian Quality Assurance Career Programs; executes the DA program standardization of palletization, unitization, transportability, and storage methods and techniques for class V and related hazardous material; and develops ammunition peculiar equipment (APE) items and systems in support of the worldwide Army and single-manager ammunition logistics responsibilities.

(7) AMC Field Safety Activity (FSA), located at Charlestown, IN, performs several major mission elements in support of the AMC safety program. These include: engineering support services; onsite safety program evaluations, which include occupational, explosives, motor vehicle, radiation and system safety, and industrial hygiene; safety approval of APE, depot maintenance work requirements (DMWR), standing operating procedures (SOP), and construction plans for explosive operations; assignment of DOD and Department of Transportation (DOT) hazard classifications for new explosives items; resident and onsite safety training for all AMC personnel and intern training for safety specialists; accident analysis; management of AMC accident countermeasure program and accident data management service; publication and/or procurement of safety information and promotional materials for AMC-

wide distribution; management of AMC range safety program; management of preparation of safety engineering design handbooks; and management of the AMC chemical agent safety program.

(8) The US Army Equipment Authorizations Review Activity (EARA), located at Woodbridge, VA, performs a technical review and analysis of all Army equipment authorization documents to insure that stated requirements are essential, compatible, and that economical considerations are applied; reviews requirement documents for introduction of new material into the Army supply system; and provides commentary on the validity of stated requirements, appropriateness of maintenance support, and the propriety of associated items. In addition, it provides technical assistance for updating other equipment-related publications and programs.

(9) US Army Foreign Science and Technology Center (FSTC), located at Charlottesville, VA, provides all-source, worldwide scientific and technical intelligence to meet the requirements of; AMC, ACSI, and DIA. Specific responsibilities of FSTC include discovering scientific and technological threats to the security of US Army ground forces; forecasting foreign military trends and developments; identifying foreign equipment improvements that could benefit US weapon and equipment systems; and pinpointing deficiencies in foreign developments. In support of this effort, FSTC controls two oversee teams and manages the US Army program for the acquisition and exploitation of foreign material.

(10) US Army Industrial Base Engineering Activity (IBEA) is located at Rock Island Arsenal, IL, serving as the technical arm of HQ, AMC, on the Industrial Preparedness and Manufacturing Technology Programs and as production consultants throughout AMC. IBEA supplies engineering, technical, economic, planning, and management services to AMC installations and activities in the areas of industrial preparedness planning; provision of industrial facilities; layaway of industrial facilities; plant equipment program; industrial plant equipment; economic analysis; and manufacturing methods and technology techniques and processes.

(11) AMC Installations and Services Activity (I&SA), established in 1958 at Rock Island Arsenal, IL, performs technical staff supervision over AMC base operations functions and provides technical assistance to AMC subordinate elements. I&SA develops and recommends policy, procedures, system concepts, standards, and performance criteria; serves as the field technical element and performs compliance inspections for HQ, AMC; and provides consultative services to MSCs, installations, and activities in the field of equipment management, transport management, audiovisual activities, post restaurants, commissary troop issue and troop dining facilities, retail supply, support agreements, base operations contracts, real property management, utility systems, energy conservation, environmental control, natural resource management, fire prevention, utility contracts, and all major construction.

(12) The AMC Logistics Assistance Program (LAP) includes a network of Logistics Assistance Offices (LAO) located at major field command headquarters and major installations in CONUS and overseas. They serve as the AMC commander's representative on all logistical matters of mutual interest, providing on-site technical assistance to users of AMC's fielded equipment with emphasis on day-to-day problem solving in supply and maintenance matters.

(13) AMC Logistics Control Activity (LCA), located at the Presidio of San Francisco, CA, provides by way of the Logistics Intelligence File (LIF) visibility on individual requisitions and shipments as they are processed throughout the Army's logistics pipeline. The LIF is a centralized computer-oriented data base con-

taining supply and transportation data on Army-sponsored requisitions submitted to the wholesale supply system. The LCA is in the singular position of providing both inquiry-response services to its customers for near real-time supply and transportation status and tailored logistics management reports to activities from the supply support activity level to HQDA. These reports include trends in support to Army customers by the wholesale supply and the defense transportation systems. The LCA also provides special analysis support to satisfy in-depth management information needs of individual users. Additionally, the LCA functions as the Army's airlift clearance authority, controlling all Army shipments into the Military Airlift Command (MAC) system and forecasting both long- and short-range overocean cargo requirements for DARCOM and DA into air and surface transportation modes.

(14) AMC Materiel Readiness Support Activity (MRSA), located in Lexington, KY, provides AMC with a user-oriented organization capable of providing logistics evaluations and reports/findings to HQ, AMC and materiel developers of new or product-improved materiel. The principal thrusts of the MRSA organization are to positively influence the Army's goal to field fully supportable items of equipment to the soldiers and to improve Army materiel readiness. Accordingly, MRSA is the lead AMC activity for ILS and logistics support analysis (LSA) program and implementation procedures and serves as the DOD LSA support activity providing LSA/Logistics support analysis record (LSAR) assistance throughout DOD; conducts logistics status reviews on selected systems during the development, acquisition, and initial issue phases of the life cycle; supports the DA and AMC Army Force Modernization Program; evaluates logistics support for Army equipment in the hands of the user; provides direct Support System (DSS) assistance; and develops prescribed load lists/authorized stockage lists in support of fielded activities. MRSA also provides units with mandatory parts lists under the standardized prescribed load list/authorized stockage list (PLL/ASL) Program and serves as AMC executive agent for the DOD Military Standard Systems.

(a) National level data bases are maintained for the Army Maintenance Management System, modification work order reporting, Materiel Condition Status Reporting Program, and the ILS and Force Modernization Milestone Reporting Systems. In addition, management services are provided for DA programs such as the Army Oil Analysis Program, the Materiel Condition Status Reporting Program, Sample Data Collection, and new maintenance doctrine such as reliability-centered maintenance.

(b) This activity serves as the data base manager for wholesale-level Standard Army Maintenance System (SAMS); exercises operational control of the AMC portion of the Army equipment publications program; and serves as the preparing and lead activity for the DOD Technical Manuals Specifications and Standards Program (TMSS). It is the home of PS Magazine, the Army's preventive maintenance monthly.

(15) The US Army Materiel Systems Analysis Activity (AMSAA), Aberdeen Proving Ground, MD, serves as the AMC center for independent materiel and weapons effectiveness studies and analysis. It is also the lead activity for survivability, systems analysis, battle-field systems integration, and for reliability, availability, and maintainability methodology. In addition, AMSAA performs independent test design and overall evaluation for decisions on major, designated nonmajor, and selected other systems; provides overview of life surveillance program for materiel systems in inventory; provides weapon systems effectiveness estimates for cost and operational effectiveness analyses; provides systems analysis support to AMC major subordinate commands; serves as the AMC field activity for administering the Joint Technical Coordinating Group for Munitions Effectiveness; and performs logistics and readiness related analysis. AMSAA was established to provide AMC with the professional systems analysis capability to evaluate complex modern weapon systems. AMSAA is also assigned responsibility for the Inventory Research Office (IRO), Philadelphia, PA; Logistics Studies Office (LSO) and Army Procurement Research Office (PRO), both at Fort Lee, VA. The assignment provides these offices with more access to systems analysis and

Logistics expertise for conducting procurement, logistics, and inventory research studies for improving Army and DOD logistics management.

(16) AMC Packaging, Storage, and Containerization Center (AMC PSCC), located in Tobyhanna, PA, serves as the focal point for the Army Logistics system in the areas of packaging and storage policies and materials handling methods/procedures; collaborates in the development of new facilities, equipment, and materials handling concepts; and provides the chairman and US delegates to the North Atlantic Treaty Organization (NATO) Materials Handling Working Party. AMC PSCC also directs AMC's transportation and traffic management functions insofar as they apply to the personal property shipment program, unaccompanied dependent travel, safe transportation of hazardous material, and transportability. It manages the operation of the joint Army/Air Force fleet of CONEX and Army-owned MILVANS for the worldwide movement of military cargo.

(17) AMC Product Assurance Test Field Activity (PA&TFA), located in Lexington, KY, serves under the operating control of the Product Assurance Director, HQ, AMC. The PA&TFA mission includes serving as

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a field operating activity-providing technical and logistical quality assurance assistance to AMC elements in the execution of functional responsibilities for management of product/quality assurance and quality control operations. Also provides technical and management services in support of the AMC product assurance and test mission during all phases of the lifecycle management of Army materiel.

(18) The US Army Toxic and Hazardous Materials Agency (USATHAMA), located in the Edgewood area of Aberdeen Proving Ground, MD, has dual Army responsibility for lethal chemical demilitarization and installation restoration. It also serves as the lead agency within AMC for pollution abatement and environmental control technology development.

(a) USATHAMA was formerly the project manager for chemical demilitarization and installation restoration.

(b) Current USATHAMA demilitarization projects include the Chemical Agent and Munitions Disposal System (CAMDS), a prototype plant for the development and demonstration of advanced procedures and equipment required for future large-scale demilitarization programs involving the lethal chemical agent and munitions stockpile; a self-contained transportable Drill and Transfer System (DATS) for disposal of leaking chemical munitions; the disposal of chemical agent training sets; the development of methods and facilities for the disposal of the incapacitating agent BZ and munitions stockpile; and the proposed Johnston Atoll Chemical Agent Disposal System.

(c) The installation restoration program provides means to identify hazardous materials at Army installations and to contain or abate those contaminants which could present a potential environmental threat if they migrate off post.

(d) USATHAMA's role in pollution abatement and environmental control technology includes monitoring AMC funds allocated for controlling pollution, managing related research and development, and serving as a focal point in coordinating and consolidating environmental technology.

3-8. AMC and Reserve components

a. AMC recognizes the vital role of the Reserve components. The Army National Guard and the Army Reserve comprise over 54 percent of the total Army's deployable forces. Logistics support provided the Reserve components by AMC conforms with objectives, specific requirements, and priorities established by HQDA. In every respect, the Reserve components are supported as full-fledged members of the "one-Army team."

b. Recognizing that the Guard and Reserve provide approximately 67 percent of the total Army's logistics support, to include over 80 percent of the general support units. AMC has established a very close working relationship with the Reserve components. Through AMC's network of depots, arsenals, and other unique logistics facilities, technical on-the-job training is provided to Reserve components personnel, over 200 units (in excess of 26,000 personnel) conduct 2 weeks annual and/or weekend training at 21 AMC installations yearly.

c. Many AMC installations are active participants in mutual support programs with selected Army Guard and Reserve units. These units, while training at a AMC installation, accomplish mission tasks for the commander- thereby, contributing significantly to the enhanced readiness of the total Army. There are now 32 Reserve component units "affiliated" with AMC depots under the DA Affiliation Program. The depots provide these units with training support designed to improve their operational readiness.

d. A planning and training association has also been formally established between designated DARCOM depots and activities and selected Reserve component units. These units will mobilize at their associated depot/ activity and augment the AMC work force in accomplishing the surge workload that will be generated by a mobilization and deployment of forces.

e. AMC is now solely responsible for the training supervision and deployment planning of five Army National Guard aviation maintenance units. These units, known as aviation classification and repair activities, depot (AVCRAD), will upon mobilization become AMC organic units and round out the DESCOM aviation maintenance capability. AMC is also responsible for the training, supervision, and employment planning of four Army Reserve strategic military intelligence detachments.

f. These units, upon mobilization, become AMC organic units and round out the FSTC on strategic research and analysis of enemy capabilities.

g. AMC also administers one of the Army's largest mobilization designee programs, involving approximately 1,000 trained Army Reserve of officers and enlisted personnel. These mobilization designees enter active duty for 2 weeks each year and train in the job they will fill in a wartime mobilization. Additionally, each year over 3,000 individuals receive instruction through ALMC or participate in on-the-job training at various AMC installations under the Army Reserve counterpart training program.

3-9. Ballistic missile defense program manager

The Ballistic Missile Defense (BMD) Program Manager plans, develops, and coordinates the staff position of DA concerning ballistic missile defense. The Program Manager is responsible for a BMD program of two complementary efforts, the Advanced Technology Pro-

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gram (ATP) and the Systems (STP). The ATP investigates and develops new technologies and concepts for application to all types of future ballistic missile defense systems. The STP is a research and development effort which advances the technologies of ballistic missile defense systems and provides a systems technology base for a broad range of future strategic defense applications. The Program Manager is delegated all authority with respect to the US Army's BMD organization composed of the BMD Program Office, the BMD systems command, and the BMD Advanced Technology Center.

3-10. Medical materiel

a. Medical materiel is a highly specialized category of supply, generally having no application beyond the care and treatment of patients. By its

nature, the medical commodity lends itself to centralized management. DLA (chapter 7) performs the DOD-wide wholesale-level management of medical material.

b. Within DA, TSG is responsible for managing medical materiel programs for the Army-wide support of Army health services. Medical supply and the maintenance of medical supplies and equipment is considered a subfunction of the health care system under TSG, and operates within the framework of the overall Army logistics system. Operating under basic DA policies TSG is responsible for establishment of appropriate implementing policies and procedures. Further, the surgeon at each echelon command is responsible for the implementation, coordination, and direction of medical materiel programs. The management of medical materiel cannot be included with other commodities without approval of TSG.

c. The specific medical materiel responsibilities of TSG are:

(1) Planning, directing, and supervising medical materiel systems, Army-wide. Formulating medical concepts, doctrines, estimates, and plans involving medical materiel management, medical equipment maintenance, and optical fabrication.

(2) Developing medical force structures, organizations, programs, and capabilities to support Army and other service requirements for medical materiel and medical equipment maintenance services.

(3) Developing general and detailed functional system requirements and system design criteria for command-unique and DA standard ADP systems for the management of medical materiel, and participating in the implementation of ADP systems for medical materiel.

(4) Serving as a member on the Defense Medical Materiel Board which is responsible for the medical and technical aspects of all DOD medical materiel.

(5) Operating the Service Item Control Center (SICC) for medical materiel, which is the US Army Medical Materiel Agency. The functions performed by this agency include computation of peacetime and mobilization consumption rates and pre-positioned war reserve stocks; maintenance of the medical portion of the Army Master Data File; dissemination of catalog and other essential medical supply information; monitoring oversee command requisitions for medical materiel; management of obligated war reserves and operational project stocks in CONUS; operation of the medical NMP; operation of depot medical maintenance activities within CONUS; and operation of a customer assistance program for medical activities. The US Army Medical Materiel Agency is the mission-assigned agency to medical materiel.

(6) Developing and operating the Army Medical Department research, development, test, and evaluation program. These responsibilities are exclusive of those aspects which support the Army in the field, which are assigned to the US Army Training and Doctrine Command (TRADOC).

(7) Developing the basis of issue for medical materiel, including expendables and recommending the basis of issue for all materiel used by Army Medical Department units. These responsibilities are exclusive of those aspects which support the Army in the field, which are assigned to TRADOC.

(8) Monitoring the financial management programs for medical materiel Army-wide.

(9) Monitoring, through appropriate commands and surgeons, medical materiel programs, operation of medical depots, and medical maintenance support.

(10) Managing the medical materiel portion of the Army Security Assistance Program, including grant aid and FMS, and accomplishing all international standardization agreements covering medical materiel.

(11) Preparing the medical supply annex for incorporation in the AMC support plan, which applies to each approved contingency plan.

(12) Reviewing, as a member of the DOD Health Council (DHC), requests from the three military services for high-cost medical equipment. The DHC evaluates each item requirement, resolves issues not previously resolved at lower review levels, and approves or disapproves the item requirement.

MCO 4400_163 DOD Supply mgt ref book

The US Army Computer Systems Command (CSC), located at Fort Belvoir, VA, is the project manager for all standard Army multicommand management information systems (STAMMIS) and for other such systems when so designated. New technology is constantly being exploited for the benefit of these systems, which are managed in accordance with DOD directives.

- a. The CSC is the principal Army developer of mul-

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multiple command, ADP systems and functions as the project manager (AR 70-17). In response to functional requirements approved by HQDA, this command designs, integrates, programs, tests, documents, installs, and maintains assigned systems. Technical assistance is furnished to Army Staff agencies and to the major Army commands (MACOM) to aid them in executing their roles with respect to ADP systems. Communication needs are identified and coordinated with the USACC and the DCSOPS to ensure compatibility between telecommunications and multiple command systems.

- b. The command conducts software research programs and maintains the standard configuration of assigned systems. Additionally, standards are established for software design, programming, documentation, and testing. The standards are applied not only to multiple command systems, but also to any command-unique related system which shares data processing equipment with a multiple command system.

- c. CSC participates in the DOD program for standardizing data elements. Liaison is maintained with other agencies and with each MACOM headquarters concerning matters of mutual interest. Training associated with the extension of standard multiple command systems is monitored.

3-12. Oversea commands

- a. Each major overseas command is involved in logistics management and planning, being responsible directly to the Chief of Staff, US Army. All of these commands have major subordinate elements with varying degrees of autonomy in supply matter, such autonomy normally being established to meet specific operational needs.

- b. The general organizational pattern for Army logistics activities overseas outlines a flexible structure which may be modified as necessary to suit any given situation in varying combat environments. Combat service support units, organized into brigades, groups, or battalions, are directly responsible to the Theater Army or the corps support command. Each combat service support unit is individually structured as to be responsive to theater or corps requirements for the items and services for which it is responsible. A fixed organization is not prescribed for the corps; hence, numbers and types of logistics support units are determined by the mission, assigned combat and combat support units, availability of nuclear weapons, terrain and weather within the area of operations, and composition and capability of the probable hostile forces.

- c. Supply installations are located throughout the communications zone, the corps rear areas, and in some cases division service areas. They are dispersed so as to minimize the effect of nuclear weapons and, at the same time, are located so as to facilitate rear area security.

3-13. Retail-level supply

- a. AMC is the principal wholesale supplier for Army-managed items. Its mission relates directly to the retail segment of the supply system. It is AMC which develops needed items and initiates procurement based upon the anticipated demands from the retail segment. Catalog information for Army-

managed items is placed in the files of the Defense Logistics Services Center (DLSC), where it is available to non-Army users in developing their catalogs. AMC CDA collects and publishes catalog data for all Army-used items in the Army Master Data File, which it furnishes to retail supply activities. Stockage at retail-level installations (posts, camps, stations, oversee commands) is based upon demand or upon an approval by proper authority that an item is required as mission essential, for standby, or for application to the maintenance float. The ability of retail-level installations to effectively accomplish their supply support functions is directly related to the responsiveness of the supply agencies, the supply guidance furnished by higher commands, and the speed and accuracy with which the retail-level installations make their requirements known to the NICPs. Within CONUS, the principal supply agencies are the materiel readiness commands of AMC (where the NICPs are located), the supply centers of the DLA, and the regional offices of the GSA.

b. These agencies support the supply systems established at Army retail-level installations. They are responsible for the management of inventories of assigned commodities and for meeting the retail installations' supply needs.

c. Requisitions reflecting the requirements of the general and direct support units and activities are produced by the ADP system of the units' materiel management center and transmitted electronically to CONUS ICPs. Shipments are made directly from CONUS distribution depots under the direct support system to an oversee unit if a full-container/436L Air Force pallet is generated within allowable time frames; otherwise, shipments will be directed to the supporting Army Consolidation and Containerization Point for onward movement to the requesting units. For CONUS direct support system shipments, materiel are shipped from the supporting distribution depot to an installation's central receiving point, and then directly to the requesting unit, bypassing the installation supply account which supports all nondirect support system customers. An extension of the direct support system is the Airline of Communication (ALOC). Under the ALOC, all air eligible class IX repair parts are shipped by air to specific oversee units regardless of priority.

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d. CONUS activity for receipt of requisitions for support of non-US units is the US Army Security Assistance Center, New Cumberland Army Depot, Pennsylvania. That activity edits the requisitions, converts them, if necessary, to the format of the Military Standard Requisitioning and Issue Procedures, and forwards them to the appropriate activity of the Army, DLA, or GSA.

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Chapter 4 The Navy Supply System

Section I Introduction

4-1. Background

- a. The unique characteristics of the Navy as it exists and operates today

determine to a large extent the dimensions of its supply management. The Navy is a composite warfare system, a mix of ships and submarines, aircraft of various kinds and configurations, missiles, and supporting installations manned by military personnel and civilians contributing their special skills and talents to a capable and highly mobile force.

b. Prior to 1963, the basic organization of the Navy Department was bilinear in nature; i.e., the users of materials and services constituted one side of the structure and the producers, buyers, or manufacturers of those things that satisfy the requirements of the users constituted the other side; both reporting to the Secretary of the Navy. Heading the user organization was the Chief of Naval Operations who commanded all functions and activities of the operating forces of the Navy, and in that capacity determined the broad material requirements of these forces including weapons or weapon systems, supplies, facilities, maintenance, and supporting services. When the military hardware was provided in response to the requirements from the Chief of Naval Operations, he became responsible for its use. He had no responsibility for development, production, or procurement of the hardware or for the supporting supplies and facilities. These functions were assigned to the producers and the various material bureaus. Although the structure of these bureaus changed from time to time, they generally were organized along broad material categories such as ships, aircraft, ordnance, and facilities. In addition, separate service bureaus with responsibilities in functional areas such as personnel management, medicine, and supply management also reported to the Secretary of the Navy.

c. As a result of a management review conducted in 1962, certain changes were prescribed. A Naval Material Support Establishment was formed to coordinate the activities of the various bureaus. It was still a bilinear organization with the Chief of Naval Operations responsible for user logistics functions and a Chief of Naval Material responsible for coordination of the producer logistics functions of the various bureaus.

d. Additional progressive changes were made, culminating in the implementation of General Order Number 5, effective 1 May 1966. In effect, the new changes abandoned the bilinear system and resulted in the present organization. All responsibilities for logistics support of the operating forces as well as all the organizations that provide this support now come under the Chief of Naval Operations.

4-2. Secretary of the Navy

a. In any discussion of the organization of the Department of the Navy, it is important to keep in mind that here, unlike other military departments, two military services are being administered. The Secretary of the Navy, under the direction, authority, and control of the Secretary of Defense, is responsible for the policies and control of both the Navy and the Marine Corps. Although the Marine Corps will be discussed in chapter 6, it should be noted that the departmental administration emanates from the Secretary of the Navy and his staff.

b. By statute, the Department of the Navy is separately organized under the Secretary of the Navy. It is composed of the executive part of the Department of the Navy; the Headquarters, United States Marine Corps; the operating forces including the aviation elements of the Navy and the Marine Corps, and the Reserve components of those operating forces; and all shore (field) activities, headquarters, forces, bases, installations, activities, and functions under the control or supervision of the Secretary of the Navy. It includes the United States Coast Guard when it is operating as a service in the Navy (United States Code (USC), title 10, section 5011).

4-3. Assistant Secretary of the Navy (Manpower, Reserve Affairs, and Logistics)

The Secretary of the Navy is assisted by a number of civilian and military executive assistants. Two of these are of direct interest to the subject of supply management. The Assistant Secretary of the Navy (Manpower, Reserve

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Affairs, and Logistics) is responsible for the department wide policy supervision of all matters related to production, procurement, supply, and distribution of material.

4-4. Chief of Naval Operations

a. The second and principal assistant is the Chief of Naval Operations who is responsible for both user and producer logistics in the Navy. The producer agencies are responsible to the Chief of Naval Operations through the Chief of Naval Material.

b. The Chief of Naval Operations is the senior military officer of the Department of the Navy. He is the principal naval adviser to the President and the Secretary of the Navy on the conduct of war, and on the conduct of the activities of the Department of the Navy. The Chief of Naval Operations is a member of the Joint Chiefs of Staff (JCS), and is responsible for

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keeping the Secretary of the Navy fully informed on matters considered or acted upon by the JCS.

c. The Chief of Naval Operations is responsible for planning and determining the material support needs of the operating forces of the Navy (less Fleet Marine Forces and other assigned Marine Corps forces) including equipment, weapons or weapon systems, materials, supplies, facilities, maintenance, and supporting services. This responsibility includes the determination of the military performance requirements and priorities for things to be developed or procured; and the determination of the order in which ships, aircraft, surface craft, weapons or weapon systems, and facilities are to be acquired, constructed, maintained, altered, repaired, and overhauled.

d. The Deputy Chief of Naval Operations (Logistics) is the principal adviser to the Chief of Naval Operations on the conduct of logistics affairs and is responsible for planning and providing the logistics support needs of the operating forces of the Navy, except for those areas elsewhere assigned. Logistics support for the operating forces is coordinated by the Commander, Surface Forces, United States Atlantic Fleet; and Commander, Naval Logistics Command, United States Pacific Fleet. Support of the fleet is provided from Continental United States (CONUS) and oversee supply points as well as from supply ships and logistics aircraft during underway replenishment.

Section II

The Naval Material Command

4-5. Chief of Naval Material

a. The Chief of Naval Material, under the Chief of Naval Operations, commands all activities of the Naval Material Command. He is responsible to the Chief of Naval Operations for providing the material support to the operating forces of the Navy, and to the commandant of the Marine Corps for providing certain material support for the Marine Corps.

b. The Naval Material Command includes the Headquarters, Naval Material Command and five principal subordinate commands, known as the systems commands; separately organized project management offices; and the shore (field) activities which are a part of the Naval Material Command. These shore activities include industrial activities, research and development centers, and laboratories.

c. The chain of command within the Naval Material Command normally runs from the Chief of Naval Material to the systems commanders. However, the Chief of Naval Material may also establish designated project managers for

selected weapons, equipments, or systems for which intensified procedures are desired. Figure 4-1 shows the Naval Material Command organization.

4-6. Naval Air Systems Command

The Naval Air Systems Command is responsible for aircraft and airborne weapon systems, other aviation-related equipment, and the systems integration of aircraft weapon systems.

4-7. Naval Electronics Systems Command

The Naval Electronics Systems Command is responsible for shore-based electronic systems and certain common-use airborne and shipboard electronic equipment, such as navigation, communications, electronic countermeasures, and general test equipment. The command serves as central technical authority on electronic standards, technology, and compatibility.

4-8. Naval Facilities Engineering Command

The Naval Facilities Engineering Command is responsible for the administration of the Navy military construction program, facilities planning, facility maintenance and utility operations, real property inventory management, and natural resources and pollution control programs. It performs material support functions related to public works, floating cranes, pontoons and moorings, ocean structures, and equipment for transportation, construction, and weight-handling. The command also provides engineering and technical services in nuclear shore power and radioisotope power devices.

4-9. Naval Sea Systems Command

The Naval Sea Systems Command is responsible for whole ships and craft and for ordnance shipboard components, such as propulsion (including nuclear), power generating, sonar, search radar, and auxiliary equipment; coordination of system integration of all shipboard subsystems; procurement, technical guidance, and supervision of operations related to salvage of stranded and sunken ships and craft. The command is the central technical authority for ships and nuclear power safety. It is responsible for shipboard weapon systems and expendable ordnance and air-launched mines and torpedos. The command is the central technical authority on explosives, propellants, and actuating components, and on explosive and nuclear safety and explosive ordnance disposal.

4-10. Naval Supply Systems Command

a. The Naval Supply Systems Command is responsible for supply management policies and methods; administration of the Navy Supply System, publications and printing, the resale program, the Navy Stock Fund, the field contracting system, transportation of Navy property; and material functions related to materials

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{I i 44001635. gif: Figure 4-1. NAVAL MATERIAL COMMAND FIG 4-1}

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handling equipment (MHE), food service, and special clothing. The command is responsible for the supply, budgetary, fiscal, and statistical functions in support of assigned military assistance/international logistics programs. The international logistics staff, as the program manager, discharges the command responsibility for the international logistics program by exercising executive authority over the Navy International Logistics Control Office, which is the focal point for requisitioning, financial accounting, and reporting in the Navy International Logistics Programs.

b. The Naval Supply Systems Command is responsible for the contracting of materials and services throughout the Department of the Navy for which no other contracting activity, office, or command is otherwise delegated contracting authority. The Naval Supply Systems Command is also responsible for conducting the formalities of contracting by formal advertising for other Navy procuring activities to the extent provided in regulations. Of the 4 million items in the Department of Defense (DOD) supply system, about 1.7 million are used by the Navy. Forty-five percent of these items is managed and controlled by the Naval Supply Systems Command through its directly managed inventory control points (ICP), the Aviation Supply Office, and the Ships Parts Control Center. Other Navy commands and offices exercise inventory management over some 22,000 major items of material such as missiles, aircraft engines, ordnance, shipboard machinery, and electronics equipment. The remaining items are managed by the Defense Logistics Agency (DLA) or General Services Administration (GSA) but are controlled for the Navy through the Navy Retail Office located at the Fleet Material Support Office, Mechanicsburg, PA.

c. It is Navy policy that all material used by the Navy will be considered as items of supply to be managed by an ICP unless the material is assigned to another integrated material manager responsible for supplying retail stock or fulfilling end-use requirements for all military services. Also exempted are those items for which acquisition and continued control are essential to the discharge of specific missions; these will be managed by the hardware systems commands of the Navy Department. The guidelines that specifically apply in implementation of this policy are:

(1) The Naval Supply Systems Command will manage items procured for other than immediate use. These items consist of equipment, components, repair parts, consumables, installations material, and items required for test and repair purpose. This includes not only items required in support of equipment and systems installed and in use, but reparable which are returned for overhaul, repair, or modification, and subsequent return to storage for later distribution.

(2) Item management by the other systems commands is limited to items in a research and development stage, items requiring engineering control decisions, items unstable in design, and items expressly assigned to a single command by a separate authorizing directive of the Naval Material Command.

d. The Navy supply system functions on the basis of centralized control of assets. Its nerve centers are the ICPs-the offices specifically designed to bring together into a single organization the supply management functions under the guidance of the Naval Supply Systems Command and the technical or engineering functions under the guidance of the hardware systems commands. In effect, the ICPs perform functions of the Naval Supply Systems Command and the other technical and hardware systems commands which have been decentralized to the field. In this respect, they are not divisible from the Naval Material Command for they represent an essential element in discharging the material support functions for which the Chief of Naval Material is responsible. As the Navy supply manager, the commander of the Naval Supply Systems Command heads the ICPs.

e. There are two Navy ICPs. Their basic assigned material responsibilities are:

Inventory Control Points

Material Responsibilities
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Aviation Supply Office

Equipment and parts peculiar to Navy and Marine Corps aviation; photographic and aerological equipments and parts.

Ships Parts Control
Center, Mechanicsburg,
PA

Conventional ammunition, shipboard, base and ordnance equipment, electronics equipment, and repair parts.

f. In addition, the Naval Publications and Forms Center at Philadelphia performs inventory manager functions for Navy-managed forms, publications, and placards; and is the DOD single stock point for specifications and standards.

Section III Bureau of Medicine and Surgery

4-11. Responsibilities

The Bureau of Medicine and Surgery is responsible for:

- a. Acting as technical adviser to the Chief of Naval Operations, Chief of Naval Material, and Commandant of the Marine Corps regarding medical and dental material.
- b. Serving as Navy point of contact with the Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) and the Assistant Secretary of

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Defense for Health Affairs in medical and dental materiel matters.

- c. Serving as a member of the Defense Medical Materiel Board.
- d. Conducting the Bureau of Medicine and Surgery portion of the Defense Standardization Program, including maintenance of specification files. Serves as Navy custodian for standardization documents of a medical and dental interest which are not managed by the Directorate for Medical Materiel, Defense Personnel Support Center.
- e. Developing and managing the investment equipment program for the Bureau of Medicine and Surgery and its commands.
- f. Determining the requirements associated with construction and renovation projects under military construction programs.
- g. Developing budgetary requirements for initial outfitting of activities and special programs with medical and dental material.
- h. Determining mobilization requirements of medical and dental material for the Department of the Navy, in accordance with the policies and guidance of appropriate authorities. Furnishing these requirements to the Defense Personnel Support Center, together with the factors, and assumptions upon which the requirements are based.
- i. Acting on type classification, reclassification, and suspension and release of wholesale stocks of medical and dental material.
- j. Developing and maintaining allowance lists of medical and dental material for units ashore and afloat, advanced base functional components, and Fleet Marine Force units.
- k. Reviewing the specified requisitions and purchase requests for medical and dental material prepared throughout the Department of the Navy.
- l. Evaluating a customer, the wholesale and retail medical and dental supply systems operated by DLA and the Navy.
- m. Cooperating with the Navy Fleet Material Support Office, promulgation

of directives and publications regarding medical and dental material standardization, availability, suspension, release, and general management. n. Cooperating with the Navy Facilities Engineering Command, in the development of technical and quantitative requirements for medical and dental vehicles.

Section IV

The Fleet Supply System Base Supply Support

4-12. Characteristics

a. The prime characteristics of the operating forces, their readiness, mobility, and endurance, prescribe the form of support which the Navy supply system renders. The fleet is virtually always mobilized-only the tempo varies. Conceptually, Navy fleet supply support is based upon an organic level of supply and two echelons of resupply: the mobile logistics support ships and oversee bases; and the supply centers in CONUS.

b. The organic level provides the material specified in the Coordinated Shipboard Allowance List or Aviation Consolidated Allowance List, this material being carried on board the ship itself. The allowance list is tailored to the individual ship based on the ship's equipments, military essentiality of the ship's systems, and composition and size of the crew. The range and quantities of demand-based allowances usually are computed to provide balanced support for an average endurance period of 3 months. This objective must be modified in the case of large bulky consumable items when space constraints do not allow a full supply allowance to be carried. The allowance list also provides for low demand items. These are items having a predicted usage of less than one in 3 months, but which are vital to support the primary mission of the ship or vital to the crew's safety or welfare. The objective of the allowance list is to maximize endurance and provide balanced support for a specified period.

c. The first echelon of combat resupply support consists of the ships of the Mobile Logistics Support Forces which include tenders, repair ships, and fleet issue ships. This force is augmented by a few oversee depots. This echelon of fleet support backs up the allowance list material carried in the combatant ships. Fleet issue ships play a special role. These ships carry cargoes of consumable items and frequently requested repair parts tailored to the combat forces they support. They rendezvous with task forces in the forward area and, by ship-to-ship or helicopter transfer, keep the fleet at sea and on station for extended periods of time.

d. The material carried in the mobile logistics support ships is prescribed in accordance with load lists which reflect support mission and types of ships supported. The load lists, like the ships' allowance lists, prescribe both the range and quantity of material to be carried aboard the individual mobile logistics support force ships. They do not duplicate those low demand items included in the combatant ship's allowance lists. Instead, they increase the combatant ship's endurance by providing a convenient source of certain repair parts and general consumable items. This combination of supply levels satisfies the Chief of Naval Operations' policy that the deployed fleet will be self-sufficient during wartime operations lasting 3 to 6 months without resupply from CONUS.

e. The second echelon of resupply provides the materials located predominantly at the tidewater centers in the United States. These supply activities serve as

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and GSA. This material is issued to the mobile logistics support forces and directly to the operating forces.

f. In addition to fleet support, the supply centers provide support to the activities of the Shore Establishment: the air stations, ordnance stations, shipyards, training stations, and smaller shore activities. The scope of the supply departments at shore activities varies, depending on the size and mission of the activity; it can range all the way from a small retail outlet called a ready supply store to a large supply department at a shipyard or an air station. These large supply departments at major air stations, shipyards, ammunition depots, and construction centers are also a significant element of the wholesale supply system. Naval supply centers provide support to Marine Corps, Coast Guard, and other military services, and friendly foreign countries under the Military Assistance Program (MAP). This support consists of medical items, technical aviation items, and a limited number of ammunition items.

g. The basic responsibility for providing this supply to meet total user needs for most of the Navy supply items rests in the ICPs.

h. The ICPs determine the quality and range of items to be carried at specific locations; position these inventories at the major stock points; and determine, in collaboration with the hardware systems commands and customers served, the individual support missions that these stock points will carry out. In addition to the centers, which are subject to control by the Naval Supply Systems Command, the supply departments of major air stations, shipyards, ammunition depots, and construction centers are significant elements of the Navy supply system for receipt, storage, and issue of material on a Navy-wide basis.

i. The stocks of material located at secondary stock points, smaller air stations, training stations, naval bases, and ordnance stations are held primarily for their own use. These activities generally determine their own requirements and do not support any significant number of activities other than themselves. Although the ICPs establish policies for stock levels and analyze financial inventory reports for material at these activities, they do not directly control these inventories; consequently, the ICPs do not use the stocks held at these points to meet needs elsewhere and do not have the same control over the operations of these points that they do over the major points.

Section V Retail Level Supply

4-13. Establishment

The Navy established a Navy Retail Office at the Fleet Material Support Office to exercise financial control and retail management of material managed at the wholesale level by DLA, GSA, and other services. This office provides these integrated managers with certain Navy program requirements, and develops and publishes working procedures for management of retail stocks. Retail stock levels are monitored by using financial inventory control data and by field service visits rather than through an individual item reporting system. For items centrally managed by DLA, GSA, and other services, certain functions are performed by the Navy. These functions include the computation of requirements for war reserve stocks and their pre-positioning, physical stockage, and issue of DLA stocks on a reimbursable basis, and the management of such stocks within the Navy distribution system ashore and afloat.

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Chapter 5

The Air Force Supply System

Section I Introduction

5-1. Background

a. The first positive step toward the creation of the Air Force as a separate service occurred in 1942 during a reorganization of the War Department. The Army Air Force was given coequal status with the Army Ground and Service Forces, and attained a degree of autonomy short only of independence.

b. A year earlier, the Air Service Command was activated as the central supply organization of the Army Air Corps. By the end of 1943, 12 air depots and 68 specialized depots had been established. The specialized depots were required to handle the overflow of materiel which could not be handled by the 12 control depots. During World War II, the need for overhauling and improving the existing supply system became apparent.

c. Following the cessation of hostilities, bills were introduced in Congress to establish an independent Air Force. Finally in 1947, the National Security Act designated the Air Force as one of three separate military departments to provide for the security of the United States.

d. The Air Service Command became the Air Materiel Command which later changed its name to the present Air Force Logistics Command (AFLC).

e. Following ratification of the National Security Act, the Army and Air Force Staffs reached agreements on the transfer of property and certain basic functions. The agreements stipulated that the two services would use each other's facilities whenever resultant economies did not downgrade operational efficiency.

f. From the beginning, the Logistics Command bore the major burden of supplying the Air Force. With the progressive sophistication of modern weapon systems and equipment, the original half million supply support items grew to a peak of more than 2 million in 1962. They have now declined slightly because the creation of the Defense Logistics Agency (DLA) and the emphasis on interservice logistics support curbed their growth.

g. Technological improvements in communications, computers, and transportation changed the supply system from a network of overseas and regional depots to a tightly knit direct support supply system. Minimal stock levels are now maintained at worldwide Air Force installations, which draw supplies from five surviving Continental United States (CONUS) depots, called air logistics centers and from other wholesale suppliers. Reliance is placed upon rapid transportation of materiel to the requisitioners, who order over an almost instantaneous Department of Defense (DOD) communication system, the automatic digital network (AUTODIN).

h. The supply system from the wholesale level of the air logistics centers to the final user is now almost fully automated. Although the system was in varying stages of transition from manual to automated operations during the Berlin airlift, the Korean war, the Cuban crisis, and the Southeast Asia conflict, it proved its ability to provide effective supply support.

Section II Department of the Air Force

5-2. Mission

The mission of the Department of the Air Force is to provide an Air Force that is capable, in conjunction with the other armed forces, of preserving the peace and security of the United States, providing for its defense, supporting the national policies, implementing the national objectives, and overcoming any nation responsible for aggressive acts that imperil the peace and security of the United States. In general, the Air Force includes both combat and service aviation forces, not otherwise assigned. It is organized, trained, and equipped primarily for prompt and sustained offensive

and defensive aerospace operations. It is responsible for the preparation of the aerospace forces necessary for the effective prosecution of war except as otherwise assigned; and in accordance with integrated joint mobilization plans for the expansion of the peacetime components of the Air Force to meet the needs of war.

5-3. Secretary of the Air Force

The Secretary of the Air Force is responsible for and has the authority necessary to conduct all affairs of the Department of the Air Force, including those necessary or appropriate for the training, operations, administration, logistical support and maintenance, welfare, preparedness, and effectiveness of the Air Force, and including research and development and such other activities as may be prescribed by the President or the Secretary of Defense, as authorized by law. He conducts the business of the department in such manner as the President or Secretary of Defense may prescribe. In the absence of the Secretary, the Under Secretary performs the duties of the Secretary; in the absence of the Secretary and Under Secretary, the Assistant Secretaries in the order fixed by their length of service as such perform the duties of the Secretary.

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5-4. Under Secretary of the Air Force

The Under Secretary of the Air Force, as principal assistant to the Secretary, acts with full authority of the Secretary on all affairs of the department. He is responsible for the overall direction, guidance, and supervision of the affairs of the department, and its plans, policies, and programs. He supervises the activities of the Reserve components of the Air Force pursuant to 10 USC 264(b), and is a member of the Reserve Forces Policy Board. He is responsible for the direction, guidance, and supervision of the international activities of the department.

5-5. Assistant Secretary of the Air Force (Research, Development, and Logistics)

The Assistant Secretary of the Air Force (Research, Development, and Logistics) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to scientific and technical matters; basic and applied research; exploratory development and advanced technology; integration of technology with, and determination of, qualitative Air Force requirements; research, development, test, and evaluation of weapons, weapon systems, and defense materiel; technical management of systems engineering and integration; production and contract management of weapon systems; the industrial defense program; industrial resources and readiness; procurement activities, including required determinations and findings, contracting, and administration and termination of contracts; contractors' equal employment opportunities; renegotiation affairs, contract appeals, and related activities; Contract Adjustment Board matters; small business; Canadian Production and Development Sharing Program; supply management, including requirements determinations, storage, distribution, reutilization, and disposal of all materiel; equipment maintenance and modification management; international logistics programs; materiel and logistics planning and programming; civil aviation, including the DOD Advisory Committee on Federal Aviation, and the Interagency Group on International Aviation; transportation, communications, and other service activities; economic utilization policy; and commercial or industrial activities program.

5-6. Assistant Secretary of the Air Force (Financial Management)

The Assistant Secretary of the Air Force (Financial Management) is responsible for direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to the Air Force programming processes and the preparation and validation of all program documentation, including program changes; budgeting, fund management, cost analysis, and cost control; accounting and accounting systems; finance, including disbursement and collection of funds; development and application of management information and control systems, progress and statistical reporting, special program status reports, and interpretation of such management data; auditing; contracts for management engineering services; contract financing; and automatic data processing (ADP) policy and programs. He is the Air Force Senior policy official for ADP. The Assistant Secretary of the Air Force (Financial Management) is responsible for directing and supervising the Comptroller of the Air Force. While the Comptroller is directly responsible to the Assistant Secretary (Financial Management), he has a concurrent responsibility to the Chief of Staff of the Air Force.

5-7. The Assistant Secretary of the Air Force (Manpower, Installations, and Logistics)

The Assistant Secretary of the Air Force (Manpower, Installations, and Logistics) is responsible for the overall supervision of manpower and Reserve component affairs and installations management of the Department of the Air Force. General responsibilities include direction, guidance, and supervision over all matters pertaining to the formulation, review, and execution of plans, policies, and programs relative to Air Force Reserve component affairs; manpower and organization; military and civilian personnel, including procurement, assignment, training, promotion, career development, pay and benefits, utilization, separation, medical care, and all factors affecting morale and well being; programs to prohibit discrimination because of age, race, creed, color, sex, or national origin, except programs applicable to contractors; Civil Air Patrol; Reserve Officers' Training Corps; Air National Guard; contracts for personal services and training; travel and per diem allowances; Air Force Board for Correction of Military Records; Secretary of the Air Force Personnel Council and its component boards, including the Air Force Discharge Review Board, the Air Force Disability Review Board, the Air Force Physical Disability Appeal Board, the Air Force Decorations Board, and the Air Force clemency and parole functions; manpower management programs and techniques, to include manpower mix policies and military essentiality issues; installations planning, programming, utilization, and annexation of installations by municipalities; acquisition and disposal of real estate; construction of bases and facilities; family housing resources acquisition, construction, maintenance, and disposal; maintenance of real property and provision of utilities services; environmental quality; and occupational safety and health.

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Section III
The Air Staff

5-8. Chief of Staff

a. The Chief of Staff, United States Air Force, serves as a member of the Joint Chiefs of Staff (JCS) and the Armed Forces Policy Council. In his JCS capacity, he is one of the principal military advisers to the President,

the National Security Council (NSC), and the Secretary of Defense. He is the principal military adviser and executive to the Secretary of the Air Force on activities of the Air Force. He presides over the Air Staff, and supervises such members and organizations of the Air Force as the Secretary of the Air Force determines, consistent with full operational command assigned to commanders of specified and unified combatant commands. He is responsible for transmitting to the Secretary the plans and recommendations of the Air Staff, for advising him with regard thereto, and, after their approval by the Secretary, for acting as his agent in carrying them out.

b. The Chief of Staff is directly responsible to the Secretary of the Air Force for the efficiency of the Air Force and preparation of its forces for military operations. He supervises the administration of Air Force personnel assigned to unified organizations and unified and specified combatant commands, and support of forces assigned to these organizations and commands as directed upon the Air Force by the Secretary of Defense. He supervises the following activities when responsibility for them has been assigned to the Air Force by the Secretary of Defense; the carrying out of any supply or service activity common to more than one military department; the development and operational use of new weapons and weapon systems; and the performance of such functions as may be transferred from other departments or agencies of DOD. He also performs other activities not directly related to supply management.

5-9. Vice Chief of Staff

The Vice Chief of Staff assists the Chief of Staff in the exercise of all his responsibilities. Under delegated authority from the Chief of Staff, he supervises the US Air Force consistent with policy guidance and statutory limitations. In the absence or disability of the Chief of Staff, or in the event of a vacancy in that office, he exercises the authority and performs the duties of the Chief of Staff. He serves as Chairman of the Air Force Council.

5-10. Assistant Vice Chief of Staff

The Assistant Vice Chief of Staff assists the Chief of Staff and the Vice Chief of Staff in the discharge of their duties. He assists in the development, implementation, and review of plans, programs, and policies, and in the overall direction of the Air Force and exercises general supervision over the organization and administration of the Air Staff.

5-11. Director of Administration

The Director of Administration is responsible to the Assistant Vice Chief of Staff for internal administration and management of the Air Staff. He supervises management programs for efficient utilization of Air Staff resources.

5-12. The Air Force Scientific Advisory Board

The Scientific Advisory Board advises the Secretary of the Air Force and the Chief of Staff on all scientific matters of interest to the Air Force mission. The board reviews research and technological developments for possible further development for military application, reviews and evaluates the Air Force long-range plans for research and development, and provides advice on the adequacy of the Air Force program.

5-13. Chief Scientist

The Chief Scientist serves as chief scientific adviser to the Chief of Staff of the Air Force in all areas of research and development. He recommends changes in policies, plans, and organization to improve research and development programs.

5-14. Chief, Operations Analysis

The Chief of Operations Analysis serves as scientific adviser to the Secretary of the Air Force and the Chief of Staff on matters relating to Air Force-designated and functional studies, and he provides focus and direction to the worldwide Air Force Operations Analysis Program. The Operations Analysis Office makes scientific studies of the problems of air warfare in order to provide intelligence for command and management decisions. It uses the method of operations research to study and evaluate weapons and tactics, strategy, logistics, and other subjects related to the Air Force mission.

5-15. The Inspector General

The Inspector General acts as an adviser to the Chief of Staff and serves as a professional assistant to the Secretary of the Air Force. He determines the status of combat readiness, command mission accomplishment, logistics effectiveness, and discipline; evaluates the efficiency, economy, and adequacy of the Air Force; investigates matters within Air Force jurisdiction involving crime, violations of public trust, subversion, disaffection, and related activities; directs the counter-

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intelligence program; establishes security policy; develops and directs the ground, flight, missile, and nuclear safety policies, programs, and procedures; and establishes effective Air Force facilities for inspection, security, investigation, law enforcement, and safety.

5-16. The Judge Advocate General

The Judge Advocate General, United States Air Force, acts as legal adviser to the Chief of Staff and exercises general supervision over the administration of military justice and civil law matters pertaining to the Air Force. He is responsible for the establishment and operation of the legal system of appellate reviews of courts-martial records as provided by the Uniform Code of Military Justice.

5-17. Assistant Chief of Staff, Studies and Analysis

The Assistant Chief of Staff, Studies and Analysis, formulates the Air Force Designated Studies Program for approval by the Chief of Staff, and conducts or assists in conducting all studies so approved. Designated studies are important, high-priority studies of particular significance to the Air Force. Generally, they deal with strategic offensive and defensive, general-purpose, and airlift force composition. The Assistant Chief of Staff, Studies and Analysis, also conducts technical and specialized operational feasibility analyses and cost-effectiveness evaluations to assist in major force level decisions.

5-18. Comptroller of the Air Force

The Comptroller of the Air Force is responsible for budgeting, accounting and disbursing, progress and statistical reporting, and for the administrative organization structure and managerial procedures related thereto. Develops and maintains systems needed for accomplishing these functions in the Air Force and establishes methods and procedures for effective management of funds and other resources. Functions as Air Staff focal point for coordinating all data systems design efforts. Under Section 8014(d),

Title 10 USC and 100.1 (17 April 1972), the Comptroller is under the direction and supervision of and directly responsible to the Assistant Secretary of the Air Force (Financial Management) and has concurrent responsibility to the Chief of Staff.

5-19. Deputy Chief of Staff, Programs and Evaluation

The Deputy Chief of Staff, Programs and Evaluation, is responsible for developing Air Force programs pertaining to the attainment of operating and supporting forces, and directing the implementation of necessary actions relating thereto. He exercises Air Staff leadership in effecting maximum balance of available resources and integration of effort toward optimum operational capability of all weapon and support systems. Provides management for the Air Force part of the foreign military assistance program (MAP).

5-20. Deputy Chief of Staff, Plans and Operations

The Deputy Chief of Staff, Plans and Operations, is responsible for formulating overall Air Force operational concepts, objectives, policies, plans, missions, and doctrines. He translates assigned roles and missions into Air Force tasks and determines force requirements to support approved national strategy. His planning functions include unilateral aerospace planning and joint planning. He is also responsible for those operating functions which are in support of the JCS. He is the Operations Deputy to the Air Force Chief of Staff in the latter's capacity as a member of the JCS and is responsible for participation by the Air Force in joint and combined policymaking, planning, and operational activities.

5-21. Deputy Chief of Staff, Research, Development, and Acquisition

The Deputy Chief of Staff, Research, Development, and Acquisition, is responsible for identification of desired operational capabilities for aerospace systems and subsystems to perform military tasks. He develops and directs plans and programs for the Air Force in the field of basic and applied research, advanced engineering development, development planning, research support, and test activities. He serves as the focal point for all matters relating to space, including the coordination of Air Force activities with other Government agencies. He is responsible for projecting developments to meet future Air Force mission requirements, and directs Air Force research and development activities in the nuclear energy field.

5-22. Deputy Chief of Staff, Logistics and Engineering

The Deputy Chief of Staff, Logistics and Engineering, is responsible for developing and directing plans, programs, policies, and procedures for the management of Air Force and Reserve Forces activities in the field of logistical support. This involves systems and support equipment development, quantitative logistical requirements determination, acquisition, supply and services, production, industrial planning, maintenance engineering, and transportation. This also includes responsibility for execution of the Air Force portion of the foreign

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military assistance program, Air Force small business affairs, and technical programs security.

Section IV

Field of the Air Force

5-23. Introduction

There are 15 major commands and 14 separate operating agencies which together represent the field organization of the Air Force. These commands are organized on a functional basis in the United States and on an area basis overseas. The commands are given the responsibility for accomplishing certain phases of the worldwide activities of the Air Force. They are responsible for organizing, administering, equipping, and training their subordinate elements for the accomplishment of assigned missions. Those organizations having no direct relationship to the supply management activities discussed in this book have been excluded.

5-24. Air Training Command

The Air Training Command provides individual training for Air Force officers and airmen. This includes basic training and indoctrination for all Air Force recruits; flying training; special technical field training; and such other training as directed. It is also charged with the recruiting function for the Air Force.

5-25. Military Airlift Command

The Military Airlift Command is a major command of the Air Force and a JCS-specified command. Its primary mission is to provide air transportation for personnel and cargo for all the military services on a worldwide basis. In addition, it furnishes weather, rescue, and audiovisual services for the Air Force.

5-26. Strategic Air Command

The Strategic Air Command is a major command of the Air Force and a JCS-specified command. Its primary mission is to organize, train, equip, administer, and prepare strategic Air Forces for combat, including bombardment, missile, special mission, and strategic reconnaissance units, and to conduct strategic air operations.

5-27. Tactical Air Command

The Tactical Air Command is a major command and is the Air Force component in the US Readiness Command. Its mission is to organize, train, and equip forces to participate in tactical air operations which includes air support for the Army; and joint amphibious and airborne operations in coordination with the other services in accordance with doctrines established by the JCS. The Tactical Air Command participates with the Army, Navy, and Marine Corps in developing doctrine, procedures, tactics, techniques, training, and equipment for joint operations, and provides combat ready aid elements to the readiness command.

5-28. Oversea commands

The US Air Forces in Europe, Pacific Air Forces, and Alaskan Air Command constitute the overseas commands. They are responsible for the offensive, defensive, transport, and logistics functions in their area of operation. They provide the air element for the unified command to which they are assigned and assist Air Forces of other countries.

5-29. Air Force Systems Command

a. The Air Force Systems Command has complete acquisition responsibility for new weapon systems including advance technology, development, tests, procurement, production, and site activation. The Systems Command has four

product divisions, each with a special field of developmental responsibility: Space and Missile Systems Organizations, responsible for space systems and ballistic missile systems development and acquisition; Aeronautical Systems Division, for conventional aircraft and aeronautical systems; Electronic Systems Division, for developing command, control, and communications systems compatible with the new weapon systems; and Armament Development and Test Center, for acquiring nonnuclear air armament for tactical and strategic forces. Other Air Force Systems Command organizations include: the Aerospace Medical Division for patient care, medical research, and medical education; the Foreign Technology Division for foreign technology intelligence analysis; the Contract Management Division for contract surveillance; the Arnold Engineering Development Center for testing jet and rocket propulsion systems; the Air Force Flight Test Center for testing aircraft; the Eastern and Western Test Ranges for testing space vehicles and operational satellite launching; and several laboratories for research.

b. A system program office is established for each system program no later than receipt of a system management directive, and remains active until the acquisition phase is over. This office normally is located at the division of the Air Force Systems Command that is responsible for appointing the system program director who heads the office. The system program office is made up of representatives from the Air Force Systems Command, Air Force Logistics Command, Air Training Command, and the operating commands who will eventually use the system under development. Other organizations and agencies may also be represented if this is warranted. The system program office is the only systems management organization during the acquisition phase.

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tion phase. As the central point for guidance, this office provides whatever instructions are necessary to insure the effective execution of the system program.

c. The Air Force Systems Command Headquarters is located at Andrews Air Force Base, Washington, DC 20331.

5-30. Specialized Air Force data automation centers

a. Centers within the Air Force Communications Command provide specialized management for Air Force data automation. Three important centers within the command are: Air Force Data Service Center, Air Force Data Systems Design Office, and the Federal Automatic Data Processing Simulation Center.

b. These centers/offices perform ADP support beginning with the conceptual stage of a data system and extending through its operational life.

c. The Air Force Data Systems Design Office, Directorate of Logistics, Supply and Services Division, provides ADP management for the Standard Base Supply System.

5-31. Air Force Logistics Command

The AFLC provides logistics support and services for Air Force organizations, systems, and materiel. The activities of this command are directed from its headquarters at Wright-Patterson Air Force Base, OH. Its main functions are to develop procedures and furnish policy guidance to air logistics centers and other field activities. Through these centers and its other subordinate activities, the AFLC performs:

a. Inventory management of assigned Federal supply groups, classes, and items.

b. Central procurement of initial repair parts, components, and aerospace ground equipment of a common nature.

c. Central procurement of replenishment items for weapon, support, space,

command, and control systems, and support equipment.

- d. Procurement support for oversee Air Force commands.
- e. Depot-level maintenance.
- f. Materiel modification and product improvement programs.
- g. Assignment of engineering responsibility for selected inservice aeronautical and allied equipments.
- h. Providing a system for calibrating the precision measurement and test equipment used by the Air Force.
- i. Operating and managing the Air Force Technical Order System, and maintenance engineering technical systems.
- j. Providing depot overhaul of ground communications-electronics equipment for which the Air Force Communications Command has installation responsibility.
- k. Providing transportation planning and services in support of the Air Force Logistics system.
- l. Acquiring support systems in conjunction with the Air Force Systems Command.
- m. Conducting industrial mobilization planning.
- n. Providing supply and maintenance support for the Air Force nuclear weapons program.
- o. Providing supply and maintenance support to international logistics programs.
- p. Managing the stock fund program.
- q. Providing other logistics support services as required. Figure 5-1 shows the AFLC organization.

5-32. Air logistics centers

a. The AFLC operates five air logistics centers in CONUS. These centers control depot storage operations and provide logistics assistance to Air Force activities within their geographic area of responsibility. The centers are worldwide managers for commodity classes and weapon systems assigned to them. The air logistics centers are: Warner Robins, GA; Oklahoma City, OK; Ogden, UT; San Antonio, TX; and Sacramento, CA.

b. HQ, AFLC, has assigned sole supply management responsibility for assigned weapon-oriented Federal supply classes and assigned items in commodity-oriented Federal supply classes among the inventory managers at the five centers. These inventory managers perform the worldwide supply management functions of computing requirements, cataloging, distribution, and disposal for assigned items. Air bases requisition materiel directly from the inventory manager who has been assigned responsibility for supply of the desired item.

5-33. System support

a. Commodity specialization has raised the problem of coordination among the inventory managers. For example, the various components and repair parts needed to keep an aircraft or missile operational and combat-ready (airframe repair parts, engines, navigational guidance equipment, fire control instruments, and ground support equipment) may be stored at, and managed by, several air logistics centers. A temporary supply failure at any one center can nullify the efforts of all the others to maintain support for a particular aircraft or missile. One of the most important consequences of this problem has been the adoption of system support management for certain systems.

b. Use of the concept improves materiel management and support of the modern, complex Air Force weapon systems in keeping with the tempo of highly

{I i 44001636. gif: Figure 5-1. AFLC ORGANIZATIONAL CHART}

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mobile global operations. System managers have been designated for first-line weapons and supporting systems, including guided missiles. The system manager is responsible for integrating the logistics support of the weapon systems assigned to him, and this responsibility begins with the initial test phase and ends only with the termination of the operational life of the weapon systems. In discharging his responsibility for assigned systems, the system manager insures rapid and positive response to the supply demands of tactical units, no matter where they may be deployed. Under this system, airlift generally is used to transport stock to oversee tactical units, but all forms of transportation are used in the CONUS.

5-34. Area support

Each air logistics center gives certain kinds of assistance to units within the area. These services include providing technical surveillance over base supply functions, sending technical assistance teams to bases, and monitoring the logistics phases of activation or inactivation of bases within the area.

5-35. Specialized AFLC organizations

a. Air Force Acquisition Logistics Division, Wright-Patterson Air Force Base. This division was established in 1976 to achieve reduction of weapon systems life-cycle costs. The division improves the interchange of information between AFLC and Air Force Systems Command, particularly the flow of feedback data from Air Force combat commands using the systems. The division provides knowledge and experience in systems operations and logistics support requirements in initial design and development phases. It also conducts reviews on reliability, maintainability, and contract specifications.

b. Aerospace Guidance and Metrology Center, Newark Air Force System. This center repairs aircraft displacement gyroscopes and inertial guidance and navigation systems for aircraft and missiles. It also manages the Air Force metrology and calibration program and hosts the Air Force measurement standards laboratory.

c. Air Force Contract Maintenance Center, Wright-Patterson Air Force Base. The center has more than 20 separate units throughout the world. It administers about 2,600 contracts annually, worth approximately \$4.4 billion.

d. Military Aircraft Storage and Disposition Center, Davis-Monthan Air Force Base. This center manages the storage, reclamation, return to flying status, and disposition of all aircraft not currently required in the DOD operational inventory. It stores approximately 3,500 individual aircraft of the Air Force, Army, Navy, and Coast Guard.

Section V

Retail-Level Supply

5-36. Air Force bases

a. Because aerospace operations depend on adequate supply support, supply management is a vital element in every echelon of command. At major command level, the Director of Logistics or the Deputy Chief of Staff for Logistics, as a member of the headquarters staff, is charged with planning and supervising logistics support of the entire command. If the command is divided into numbered Air Forces, the Director of Logistics at each Air Force headquarters has similar responsibilities for that Air Force. This pattern

applies through all the echelons down to, and including, the wing.

b. The bases controlled by the major commands are the primary customers of the Air Force wholesale supply system. Each base or major grouping of organizations is assigned an account number. Bases also draw support from the other services, DLA, and the General Services Administration (GSA). Oversea bases are on direct support and requisition directly from the applicable source of supply.

c. To meet nuclear age requirements, considerable attention has been focused on the development of faster means of communication and transportation. All retail customers are not tied to the Air Force wholesale supply system by AUTODIN, a high-speed data transmission and switching system. Within the United States, an air transport system, logistics airlift, operated by commercial carriers under contract with the Air Force, links air logistics centers, bases, and aerial ports of embarkation on regular schedules. Oversea air movement is handled by the Military Airlift Command, augmented by commercial carriers where necessary.

5-37. Base supply

a. At air base level, the consolidated base supply activity is responsible for the overall management, technical supervision, and maintenance of accountable records for most of the supplies consumed by operating units. The base supply activity is the heart of the retail system, and the first echelon of the Air Force supply system, where supplies are issued to the customers or consumed by the base itself. As the final point of demand, the base provides the necessary consumption data which serve to guide the worldwide replenishment, distribution, and procurement of Air Force stocks.

b. The base supply system is completely automated and standardized throughout the Air Force, using the same procedures, organizational structures, forms, and computer programs regardless of base mission, size, or location. It is termed the Standard Base Supply System

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and operates on U1050-II computers at approximately 116 locations. Bases, Reserve units, and Air National Guard supply accounts which do not have sufficient logistics activity to fully use a computer share time on nearby base U1050-IIs. There are more than 182 such satellite supply accounts.

c. The Standard Base Supply System is an online processing system, providing immediate update to both supply and financial records upon input of a single transaction. To accommodate both input and output requirements, teletype remote devices are provided to various work centers. The system is programmed to interface with the supply processing and management systems of the AFLC, the DLA, the GSA, and supported major commands.

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Chapter 6

The Marine Corps Supply System

6-1. Introduction

a. The United States Marine Corps is an integral part of the Department of the Navy, and is at all times subject to the policies and regulations established for that department. Within the department, there are two ser-

services: the Navy and the Marine Corps. Each is a separate service, although individuals and forces of one may be assigned to serve with and become a part of specified units of the other.

b. The Commandant of the Marine Corps is the senior officer of the Marine Corps. He is directly responsible to the Secretary of the Navy for Marine Corps administration, discipline, internal organization, training, requirements, efficiency, readiness, operation of its materiel support system, and for the total performance of the Marine Corps.

c. The primary missions of the Marine Corps are: to provide Fleet Marine Forces of combined arms and supporting air, for the seizure and/or defense of advanced naval bases in land operations essential to naval campaigns; to provide detachments for service on armed vessels of the Navy and security detachments for the protection of naval stations and bases; to develop, in coordination with other services the tactics, techniques, and equipment for landing forces in amphibious operations; and similarly, to develop doctrine, procedures, and equipment of interest to the Marine Corps for airborne operations, which are not provided by the Arms; to be prepared, in accordance with joint mobilization plans, for wartime expansion; and finally, to perform other missions as the President may direct.

d. To support these forces, the Marine Corps has been authorized by the Secretary of the Navy to develop a separate and distinct supply system. The mission of the Marine Corps supply system is to provide and manage those items necessary for the equipment, maintenance, and operation of the Fleet Marine Forces, supporting establishments and the Marine Corps Reserve.

e. The system is controlled by the Commandant. It is designed for effective operation in both peace and war, with the capability of rapid transition from one to the other, but dedicated to the single purpose of providing the necessary support to Marines in combat. It makes the Marine Corps essentially self-sustaining in logistics operations and is structured to be responsive to the needs of the operating and supporting forces no matter where located. It is characterized by centralized management and stock control, decentralized distribution points, and maximum use of automatic data processing (ADP).

f. In support of the Marine Corps supply system, the Navy provides aviation, medical, and chaplain supplies directly to Marine Corps units. To manage this aspect of the system Navy supply officers are assigned to Marine Corps air activities; medical officers and chaplains are assigned to Marine Corps units; and Marine Corps officers and men are trained in Navy supply matters.

g. Headquarters, Marine Corps is the inventory management agency for ammunition within the Marine Corps; however, the physical handling of the major portion of stores assets is accomplished at Army and Navy ammunition depots.

6-2. Supply system structure

The supply system consists of three essential elements or managerial levels: Marine Corps Headquarters, the in-stores, and the out-of-stores functional elements. The system extends from the headquarters down to the user. Concepts, policies, and guidance emanate from the headquarters; distribution is performed by the in-stores system, while the ultimate user is the retail or out-of-stores element.

6-3. Headquarters

a. The Commandant is directly responsible for the headquarters total performance, including requirements, efficiency, readiness, and operation of its supply system. Direction of the supply system by the Commandant encompasses planning and determining the support needs of the Marine Corps for equipment, weapon systems, materiel, supplies, facilities, maintenance, and supporting services. Further responsibilities include providing staff assistance to the Assistant Secretary of the Navy (Ship building and Logistics) in matters pertaining to supply, determining military

characteristics for Marine Corps equipment to be procured or developed, and the training required to prepare Marine Corps personnel for combat. Assisting the Commandant with these responsibilities is the function of the headquarters staff.

b. The Deputy Chief of Staff for Installations and Logistics is the principal logistician on the general staff of the Commandant. He is responsible for logistics plans and policies, materiel program objectives, and programs relating to materiel readiness. He plans and establishes requirements for research and development efforts in the area of logistics and is responsible for the ground materiel equipment required for support of amphibious operations.

c. The Deputy Chief of Staff for Installations and Logistics is also the principal staff advisor to the Commandant in the supply matters and is responsible for the management of the supply system; the procurement of

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materiel and services; the management of the Marine Corps stock fund; the management of the utilization and disposal program; and the provisioning of engineering and technical services in acquisition, support, and maintenance of ground equipment. In addition, he is responsible for all matters pertaining to facilities management; all phases of transportation and traffic management; the supervision and direction of service support functions which includes subsistence, food services, commissary sales stores, laundry and drycleaning facilities; and the maintenance and operation of Marine Corps exchanges through nonappropriated funds. Figure 6-1 shows the organizational structure of the Installations and Logistics Department of the Marine Corps.

d. Although the Deputy Chief of Staff for Installations and Logistics is the principal staff officer concerned with the management of the supply system, significant overall contributions are made by each of the other staff agencies. Examples of these are: the Fiscal Director, who provides the fiscal policy and manages the funding and financial aspects of the system; the Director of Command Control, Communications and Computer (C4) Systems, who develops data systems, concepts, policies, and objectives, and provides the ADP hardware for the system; and the Deputy Chief of Staff for Research, Development, and Studies, who directs and coordinates in the areas of research, development, test, evaluation, and studies.

6-4. In-stores element

a. The in-stores element includes those assets and the management functions that are under centralized item and/or financial accountability and control. The in-stores element is managed under the Marine Corps Unified Materiel Management System. This concept has converged all management functions normally associated with military supply into a single integrated system. In-stores element began in May 1967. The system uses advanced management technology and ADP to the fullest, and incorporates all standardized requirements of the Department of Defense (DOD). It is compatible with interfacing systems of the Defense Logistics Agency (DLA), the General Services Administration (GSA), and other military services through the use of standardized formats and languages.

b. The organizational structure to satisfy the objectives of the Marine Corps 1 Unified Management System consists of Headquarters, Marine Corps, one inventory control point (ICP) which is a part of the Marine Corps Logistics Base (MCLB), located at Albany, GA, and two remote storage activities (RSA). These two RSAs are located at the MCLB at Albany, GA and the MCLB, at Barstow, CA. The RSA at Albany, GA, provides logistics support for Fleet Marine Forces (including Reserve) in the Eastern United States and the Atlantic theater. The RSA, located at Barstow, CA, provides logistics

support for Fleet Marine Force units (including Reserve) in the Western United States and the Pacific theater.

c. As with the overall supply system, policy for the operation of the Marine Corps Unified Materiel Management System emanates from Headquarters, Marine Corps under the auspices of the Deputy Chief of Staff for installations and Logistics. To fulfill his responsibilities for the operation, maintenance, and improvement of the supply system, the Deputy Chief of Staff for Installations and Logistics develops procedures and management objectives, and analyzes the system's effectiveness.

d. The ICP is the central supply processing point and the central coordination and technical direction agency for the operation of the Marine Corps Unified Materiel Management System. As such, the ICP controls all the actions required in the acquisition, availability, and disposal of the materiel assets in the system.

e. The Commanding General, MCLB, Albany, GA, is designated as the commander of the ICP. He is responsible for the inventory control of all centrally managed and centrally procured items (other than subsistences and commissary items) procured under the Marine Corps stock fund, plus the majority of appropriation stores account items (excluding ground ammunition). The functions conducted at the ICP include requirements determination, procurement, receipt control, stock and issue control, inventory analysis, budgeting, financial store accounting, performance measurement, and determination of excesses. Additionally, the ICP performs the functions relative to pricing, cataloging, reporting, and computing mobilization reserve requirements for centrally managed, locally procured, and integrated manager items. Further, technical direction over the RSAs is exercised.

f. The administrative tasks and functions required in the operation of the Marine Corps Unified Materiel Management System are organized into 15 subsystems operated as 1 integrated system by the ICP through a large-scale computer program. The subsystems are interrelated and data in each subsystem are available to the others for use. The subsystems fall into three general areas. Two areas, supply/financial and technical, pertain to the functions at the ICP. The third area pertains to functions of the RSAs. There are seven subsystems in the supply/financial area. These are concerned primarily with inventory control, accounting, procurement, budget, and supply management reports. The five subsystems in the technical area perform such functions as provisioning, technical data, war reserve, data control, and applications. The remaining two subsystems deal with the RSAs. They are the mechanization of

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{li 44001637. gif: Figure 6-1. ORGANIZATIONAL STRUCTURE OF INSTALLATIONS}

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warehousing and shipping procedures and direct support stock control.

g. The two remote storage locations in the Marine Corps Stocks Distribution System are geographically located adjacent to the Continental United States (CONUS) units they serve and are able to effectively support units deployed overseas from either coast of the United States. Each RSA is a part of the base at which it is located. The base commanders exercise all aspects of command over the RSA except in the area of technical direction, which is under the cognizance of the ICP.

h. The missions of the RSAs are:

(1) To receive, maintain, and issue in-store stocks and equipment to units located in their vicinity.

(2) To operate a decentralized local direct support stock control system, to include positioning of materiel, maintenance of, stock levels, disposition, and item accounting for items assigned.

(3) To operate customer issue outlets as part of the decentralized stock control subsystem, to include fuel, lumber, clothing, subsistence, shop stores, and self-service ready issue points.

In addition, five commands are designated as ground ammunition storage points; they are the Marine Corps Recruit Depot at Parris Island and the Marine Bases at Camp Lejeune, Camp Pendleton, Quantico, and Twentynine Palms.

i. The general functions conducted at the RSAs are warehousing, materiel management, customer service, physical distribution control, and complete management of locally controlled items. The RSAs function primarily in direct support of the Fleet Marine Forces by providing depot level repair and rebuild, and by serving as the principal storage sites for pre-positioned mobilization stocks of both major and secondary items. In addition, they stock and issue items for which the Marine Corps is the integrated material manager and for other service-/agency-owned stock.

j. Stocks are received at the RSAs as a result of procurement actions placed by the Headquarters, Marine Corps and the ICP. Materiel are released for delivery in accordance with materiel release orders issued by the ICP in response to customer requisitions. All materiel transactions at the RSAs are reported internally from remote input/output stations. These data are also used in the various subsystems of the Marine Corps Unified Materiel Management System for shipment planning, warehouse management, work measurement, and computation of other requirements.

6-5. Out-of-stores element

a. The third portion of the Marine Corps supply system is the out-of-stores element. This is the user element and consists primarily of the assets held by units of the Fleet Marine Forces (Divisions, Air Wings, and Force Service Support Groups), posts, camps, stations, and Marine Corps Recruiting and Reserve Districts.

b. Materiel in the out-of-stores element are not centrally managed. Stockage objectives for class IX repair parts at the using unit level are based on actual usage and for classes II, IV, and VII by table of equipment allowances published for each unit by Headquarters, Marine Corps. Special allowances, when approved by Headquarters, Marine Corps, may be maintained on hand to support unique operations. All phases of supply accounting for class II, IV, VII, and IX materiel at the organic or using unit, including procurement control and disposition of materiel, are performed under the rules of the Supported Activities Supply System (SASSY).

c. In the Force Service Support Groups, supporting each division and air wing or combined division/wing team are intermediate supply support elements called SASSY management units (SMU). The SMUs are the connecting links between the unit level account and the ICP or the integrated materiel manager. They are mechanized, mobile, and capable of deploying with the major troop units, and they stock the materiel necessary to support the major units for a prescribed level of operations. These support elements perform their own inventory accounting through standard computerized procedures controlled by Headquarters, Marine Corps. The using units requisition materiel from the general accounts of the SMUs, where their demand is either filled, back-ordered, or passed to the integrated materiel manager. The SMUs replenish their general accounts in accordance with stock levels computed from usage by requisitioning materiel from the appropriate source of supply.

6-6. System operation

a. The interrelated actions produced by a customer's request for materiel illustrate the overall operation of the supply system. Essentially, the using unit or individual customer places demands on the system in two ways

the informal, nonrequisition demand and the formal requisition conforming to Military Standard Requisitioning and Issue procedures (MILSTRIP).

b. The majority of informal demands are processed within the Direct Support Stock Control Subsystem, through such outlets as the self-service center, retail clothing store, shop stores, and military clothing sales store.

c. The SMUs submit formal requisitions directly to the appropriate integrated materiel manager by way of the automatic digital network (AUTODIN), if available, or by mail or message, if not available. When the integrated materiel manager is the Marine Corps, the ICP processes the requisition against the assets of the

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in-stores system and transmits a materiel release order directing an RSA to release the materiel. If the materiel are not in stock, the requirement is placed on back order and procured by the ICP from a commercial source for direct delivery to the requisitioner in accordance with the urgency of the priority assigned to the requisition.

d. Examples of actions at the ICP which are generated upon receipt of customer requisitions are: The Master Inventory File Stock/Financial Record is updated; the requestor's allotment is charged of appropriate; and management action is taken as required. The normal test of assets, due-ins, and leadtime is made to determine whether procurement action is required. If required, a procurement document is produced. The system also produces daily workload forecasts, materiel release orders, reports of materiel availability, special category release orders, warehousing summary listings, supply effectiveness reports, and performance measurement reports. The ICP automatically schedules such storage functions as surveillance inspections, requirements for selective inventory, and care in storage.

e. Finally, the performance and effectiveness of the system are constantly monitored by Headquarters, Marine Corps to insure that maximum support is rendered by all phases of the system.

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Chapter 7

Defense Logistics Agency

Section I

Introduction

7-1. Background

a. The Secretary of Defense announced the establishment of the Defense Supply Agency in 1961. Since that time, the agency's responsibilities have been substantially increased, and in 1977 it was renamed the Defense Logistics Agency (DLA).

b. The agency employs approximately 48,000 civilian and military personnel at its headquarters in Alexandria, VA, 25 primary level field activities and almost 221 other locations (37 overseas) throughout the world.

c. The agency is headed by a three-star military officer appointed by the Secretary of Defense and approved by the President. He is the commander of an operational military logistics organization responsible for providing responsive, effective, and economical worldwide support to the military services and other Department of Defense (DOD) components, Federal civil

agencies, foreign governments, and others. The director represents the agency and DOD at the highest echelons of Government, including relationships with Congress, DOD, military departments, senior representatives of foreign governments, industry, and the public at large.

d. The name change in 1977 reflected its increased role in the defense military logistics system. The effort and operations of the agency are oriented primarily toward logistics support of the missions of the military services and the unified and specified commands under all conditions of peace and war. These mission areas encompass a wide variety of responsibilities.

7-2. Mission

a. The mission of DLA is to provide effective and economical support to the military services, other DOD components, Federal civil agencies, foreign governments, and others, as authorized, for assigned materiel commodities and items of supply including weapon systems, logistics services directly associated with the supply management function, contract administration services, and other support services as directed by the Secretary of Defense. Furthermore, DLA administers the operation of DOD programs as assigned.

b. Under the direction and operational control of its director, DLA is responsible for the performance of the following major functions:

(1) Materiel management encompassing item management classification, requirements and supply control, contracting, quality and reliability assurance, industrial mobilization planning, storage, inventory and distribution, transportation, maintenance and manufacture, provisioning, technical logistics data and information, value engineering, and standardization.

(2) Contract administration services provided in support of the military departments and other DOD components, the National Aeronautics and Space Administration (NASA), other designated Federal and State agencies, and foreign governments.

(3) Providing scientific and technical information support services to the Defense Research, Development, Testing, and Evaluation (RDTE) community, consistent with Office of Under Secretary of Defense (Research and Engineering) policy guidance, through operation of the centralized management information and technical report data banks at the Defense Technical Information Center and administrative management by Defense Technical Information Center of assigned contractor-operated DOD information centers in selected fields of science and technology.

(4) Administering assigned DOD systems and programs including the DOD Coordinated Acquisition Program; Federal Catalog System; DOD Excess, Surplus, and Foreign Excess Personal Property Disposal Program, including hazardous materials and wastes; DOD Retail Interservice Support Program; Defense Materiel Utilization Program; DOD Industrial Plant Equipment Program; Foreign Military Sales (FMS); operating Military Parts Control Advisory Groups for standardization of parts at the system equipment design stage; DOD-wide program for redistribution/reutilization of excess Government-owned and -rented automation equipment; Defense Precious Metals Recovery Program; Executive Agent for Materiel Redistribution via the Defense European and Pacific Redistribution Activity; assigned logistics operations contingent to the Federal Emergency Management Program; assigned aspects of the DOD Food Service Management Program; DOD-wide Interchangeable/Substitutable Program; Military Standard Logistics Systems; Logistics Data Element Standardization and Management Program; Defense Automatic Addressing System; Defense Procurement Management Review; providing manpower data support to DOD and other Government agencies; the DOD Hazardous Material Information and Hazardous Materials Data Bank System; and the Program Manager for the Defense Energy Information System.

(5) Monitoring DOD supply relationships with the General Services Administration (GSA).

(6) Serving as the operating agency for the DOD Automated Placement Programs, and providing administrative support to the Centralized Referral Activity whose functions are under Assistant Secretary of Defense (Manpower, Installations, and Logistics) supervision. These programs are the

Centralized Referral

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System which provides for the placement of displaced DOD employees, and returning oversee career employees, Oversea Employment Referral Program, and the Automated Career Management System for placement of employees registered in the DOD-wide career program for acquisition/contracting and quality assurance personnel.

(7) Systems analysis and design, procedural development, and maintenance for supply and service systems as assigned by the Secretary of Defense.

c. The approximately 48,000 personnel authorized to DLA are assigned at the headquarters (approximately 900) and:

(1) Six commodity-oriented supply centers or inventory control points (ICP). Two of which have collocated depots.

(2) Six service centers.

(3) Four defense depots.

(4) Nine defense contract administration services regions (DCASR) that geographically divide the United States.

Of this number, approximately 1,041 are military, from all four services, with 16 general and flag officers.

d. DLA receives approximately 25 million requisitions per year with almost 20 million of these being filled directly with assets stocked in the DLA distribution system. The agency administers contracts with a face value of \$88 billion. Yearly direct obligations include:

(1) Over \$1.3 billion in the Operation and Maintenance Appropriation.

(2) Over \$17 million in the Research, Development, Test and Evaluation Appropriation.

(3) Over \$17 million in the Procurement Defense Agencies Appropriation.

(4) Over \$42 million in the Military Construction Appropriation.

(5) Over \$27 million in the Defense Industrial Fund.

(6) Over \$17 billion in the Defense Stock Fund.

7-3. Organization

a. DLA is headed by a director, and assisted by a deputy director, a deputy director for acquisition management, a headquarters establishment, 25 primary level field activities, and their subordinate activities. There are also a number of headquarters management support activities which are controlled by headquarters staff elements. Figure 7-1 shows the DLA organization.

b. The DLA headquarters staff assists the director in the exercise of direction and control over the agency as a whole and is responsible for policy development, broad planning, and staff supervision of the total mission of DLA.

c. The headquarters central staff consists of the offices of Assistant Director, Plans, Policies, and Programs, Comptroller, General Counsel, Telecommunications and Information Systems, Command Security Officer, Legislative and Public Affairs, Installation Services and Environmental Protection, Administration, Personnel, and Small and Disadvantaged Business Utilization. This central staff provides common administrative, professional, technical, and managerial support.

d. The headquarters mission elements consist of the executive directorates, supply operations, contracting, technical and logistics services, contract management, and quality assurance. The mission elements exercise staff supervision over the execution of the mission operations.

e. The 25 primary level field activities are categorized as six defense supply centers, four defense depots, six service centers, and nine DCASRs.

These activities report directly to the director.

f. The defense supply centers are responsible for materiel management of assigned commodities and items of supply relating to food, clothing, textiles, medical, chemical, petroleum, industrial, construction, electronics, and general items of supply. The Defense Fuel Supply Center is additionally responsible for contracting for commercial petroleum services, coal, crude oil, and petroleum products for the Strategic Petroleum Reserve. Two of the supply centers and the four defense depots receive, store, and issue assigned commodities.

g. The service centers (Defense Logistics Services Center (DLSC), Defense Industrial Plant Equipment Center (DIPEC), Defense Property Disposal Service (DPDS), Defense Technical Information Center (DTIC), DLA Systems Automation Center, and the DLA Administrative Support Center) furnish varied support services, which are described in detail later.

h. The nine DCASRs, also discussed later, provide contract administration, production, quality assurance, and data and financial management activities and small business/labor surplus programs within the United States, and such external areas as specifically authorized. The DCASRs have subordinate management areas and plant representative offices.

7-4. Operations

a. In most key categories, Fiscal Year 1982 totals stayed at the high levels reached in the previous year. In large measure, this reflects the inflationary conditions prevalent throughout the economy until recently.

b. In procurement, the total value of awards in Fiscal Year 1982 was \$15,223.4 million. Other key statistics, such as the total line items received and shipped by depots are also shown in table 7-1 which provides an illustration of the scope and magnitude of DLA operations.

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{li 44001638.gif: Figure 7-1. DEFENSE LOGISTICS AGENCY CHART}

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c. The large increase in the number of items managed between Fiscal Years 1981 and 1982 resulted from the Deputy Secretary of Defense directed transfer of integrated materiel management responsibility for some 200,000 consumable items from the military services to DLA.

d. The Federal Government's small business and socioeconomic programs are of continuing concern. This has been demonstrated by the establishment of annual performance goals for these programs, which are assigned by the director and the headquarters staff each fiscal year; the progress thereunder is reviewed monthly. The purpose of these actions is to maintain constant awareness by management officials of national, social, and economic objectives and to insure concerted efforts toward achieving the maximum in contract awards to eligible business concerns consistent with sound acquisition practices. During Fiscal Year 1978, the agency awarded to small business concerns prime contracts amounting to \$2.7 billion, or 43.8 percent of its total awards to US business firms. Also during Fiscal Year 1978, procurement totaling \$159 million was

Table 7-1
Magnitude and Scope of DLA Operations

	FY 78	FY 79	FY 80	FY 81	FY 82
Items Managed	1,957.2	2,005.9	1,969.5	1,968.2	2,188.5
Items Centrally Procured	1,889.5	1,936.0	1,899.9	1,899.6	2,120.8
Gross Requisitions Recd (Stocked)	19,475.9	18,836.5	19,327.0	20,024.9	20,642.7
Line Items Handled (In and Out)	18,292.1	18,022.0	19,285.5	19,190.1	19,776.1
Tons Handled (In and Out)	1,540.6	1,545.8	1,605.3	1,728.9	1,820.6
Stock Availability (%)	91.9	91.6	91.0	90.6	91.3
On Time Fill - All Issues (ICP & Depot) (%)	80.0	85.2	81.7	83.7	86.4
Defense Stock Fund:					
Net Sales	\$6,618.1	\$7,100.0	\$10,911.1	\$16,999.6	\$16,174.2
Obligations	\$7,148.0	\$7,486.1	\$11,263.8	\$18,655.8	\$17,283.5
Net Investment Change	\$ +529.9	\$ +386.1	\$ +352.7	\$ +1,656.2	\$ +1,109.3
Procurement Line Items Awarded Less Ed Supplies	2,841.5	2,910.5	3,121.9	3,269.8	3,245.3
Value of Awards (MIL)	\$8,199.0	\$7,815.1	\$11,262.1	\$17,991.7	\$15,998.5
Procurement Deliveries (MIL)	\$6,069.7	\$6,935.9	\$10,104.3	\$16,429.0	\$14,561.2
Material On Order (EOP) (MIL)	\$2,255.8	\$2,341.0	\$ 2,775.4	\$ 4,087.1	\$ 6,095.0
Contract Administration Services:					
Contracts Administered	241.3	257.3	272.5	302.7	304.2
Value of Contracts (MIL)	67,863.9	76,451.4	88,496.9	105,884.3	130,277.9
Value of Material Inspected and Released for Shipment (MIL)	\$22,152.7	\$23,134.8	\$26,910.0	\$32,654.4	\$40,402.8
Personnel (End Strength):					
Civilian	47,534	47,124	46,120	47,007	47,653
Military	968	987	961	965	1,008

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awarded as a result of set-asides for firms located in designated labor

surplus areas and other firms certified by the Department of Labor (DOL) as eligible to receive preference in the award of defense contracts. In addition, during Fiscal Year 1978, contracts totaling \$103.3 million were placed with the Small Business Administration (SBA) for subcontracting with minority business enterprises. This program is sponsored by the SBA under section 8(a) of the Small Business Act.

e. DLA has implemented a program for extensive mechanization of materials handling functions within its depot activities. The equipment has been installed throughout the agency's primary storage sites after successful installation of a pilot system in 1967. This new equipment, costing \$16.2 million, completes the initial mechanization effort with more specialized projects planned in the future for selected commodities and storage sites.

f. Further evidence of the expanding mission was the agency's assumption of responsibility for Government-wide supply of packaged petroleum and electronic items in 1969 and procurement responsibility for bulk fuel. Responsibility was assigned to DLA for the worldwide supply of wholesale bulk petroleum on 1 July 1973 and for subsistence on 1 May 1973.

g. The agency's program to provide special management attention to items already under its management which are identified by the services as critical to selected weapon systems, now encompasses approximately 168,000 items. The number of military service-managed weapon systems which these items support is now 70. Included in the program are the Polaris, Minuteman, and Hawk missile systems; the B-52, F-4, and F-111 aircraft; and the Army's Sheridan Tank and M-155 Howitzer.

h. The agency's role in support of service weapon systems is basically confined to the supply of maintenance support items which are more of the commercial type. They are considered to be the "bits and pieces" of the systems, as opposed to major assemblies, components, and items, and major equipment which continue to be supplied directly by the services. For a brief discussion of the War Reserve Program, see the DLA portion of chapter 16.

i. DLA also has the special purchase mission originally provided oversee support of the Army and Air Force activities overseas (excluding Pacific Air Force) for decentralized, nonstocked, and noncataloged items. In January 1967, this responsibility was increased when oversee support of Pacific Air Force was assumed.

j. The procurement operation is now functioning as part of a highly sophisticated logistics system called the Standard Automated Materiel Management System. This system provides procurement with a direct interface with other functions such as supply, cataloging, provisioning, and financial. Some of the major improvements in the procurement area attributable to the Standard Automated Materiel Management System include:

(1) Computer-generated purchase requests with a history of the last six buys.

(2) Mechanized funding for all purchase requests and contracts-commitment and obligation.

(3) Computer-generated request for quotations for awards up to \$10,000 and the computer evaluation of vendor quotes and the computer generation of the resultant purchase orders (DD Form 1155).

(4) Mechanized small purchase awards for procurement of up to \$250 against preestablished blanket purchase agreements (BPA).

(5) Mechanized contract delinquency control at the contract line item level.

(6) Computer-generated procurement report for both center and headquarters use.

k. DLA Regulation 4155.22 implemented the agency's Quality Audit in 1970. Quality audit teams were established for each of the defense supply centers. The audit teams make random sampling of shipments received from procurement for depot stock. Associated procurement documents are reviewed for accuracy and adequacy of quality requirements. Product items are inspected for conformance to contract requirements. Products are inspected after all source or depot inspections have been completed and items are placed in depot stocks. Results are plotted as trend lines to highlight problem areas

MCO 4400_163 DOD Supply mgt ref book
needing management attention. Warranty actions for nonconforming products reported are based on contract provisions.

Section II Federal Catalog System

7-5. Item identification

a. The Federal Catalog System is a Government-wide program to provide a uniform system of item identification and assign national stock numbers (NSN) to all items of personal property used by the Government departments and agencies. Through its operation, item duplication is prevented, interchangeability among items revealed, standardization data are made available, logistics support throughout the Government is facilitated, and Government/industry relations are strengthened; all to the improvement of materiel management, military effectiveness, and efficiency and economy in logistics operations. North Atlantic Treaty Organization (NATO) and other foreign countries participate by agreement or on an individual basis. Established by law, it is administered by DOD in conjunction

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with the Administrator of GSA. DLA is responsible for management and administration of the operation of the system.

b. Table 7-2 shows those items most representative of the type items managed.

c. The Catalog System has about 5.7 million items of which 5.0 million are active. DOD manages 4.0 million of these, with DLA managing 2.2 million items.

7-6. DLA value engineering and standardization programs

a. Still another technical program receiving emphasis at all levels of management is the Value Engineering program. DLA explores every opportunity to find any element of cost that does not contribute to the function of equipment or materiel being procured and managed

Table 7-2
Some DLA-Managed Commodities

Subsistence (Defense, Personnel Support Center, Philadelphia, Pennsylvania)	Meat, poultry, and fish. Fruits and vegetables. Tobacco products. Coffee, tea, and cocoa. Food oils and fats. Soups and bouillon. Jams, jellies, and preserves. Composite food packages.	Dairy foods and eggs. Bakery and cereal products. Nonalcoholic beverages. Sugar, confectionary, and nuts. Condiments and related products.
Medical, Dental, and Veterinary (Defense Personnel Support Center, Philadelphia, Pennsylvania)	Drugs. Medicines. Surgical equipment. Opticians' equipment. Laboratory equipment.	Chemical analysis instruments. Biologicals Hospital furniture. X-ray equipment.

Clothing, Textiles (Defense Personnel Support Center, Philadelphia Pennsylvania)	MCO 4400_163 DOD Supply mgt ref book Clothing and individual equipment. Textiles, leather, and notions and apparel findings. Badges and insignia.	Boots and shoes. Flags. Bedding. Tents and tarpaulins.
Fuel and Petroleum Products (Defense Fuel Supply Center, Cameron Station, Alexandria, Virginia)	Gasoline and jet fuel. Fuel oils. Coal (procure only).	Diesel.
Construction (Defense Construction Supply Center, Columbus, Ohio)	Diesel engines and components. Pipe and conduit. Hose and tubing. Plumbing fixtures. Fuel-burning equipment. Wallboard and building paper. Fencing, fences, gates. Vehicular power transmissions. Engine fuel system components. Vehicular furniture and accessories. Lubrication equipment.	Truck, tractor attachments. Plywood and veneer. Conveyors. Power and hand pumps. Winches, cranes, derricks. Roofing and siding. Water purification equipment Gasoline engines. Vehicular cab and frame components. Engine accessories. Cooling system components. Brake, steering, and components. Materials and handling equipment.

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table 7-2 (continued)

Industrial (Defense Industrial Supply Center, Philadelphia, Pennsylvania)	Hardware. Metal bars, sheets, and shapes. Blocks, tackle, egg ing. Fiber rope, cordage, and twine.	Bearings. Chain and wire rope. Rope, cable fittings Packing and gasket materials.
General (Defense General Supply Center, Richmond, Virginia)	Service and trade equipment. Furniture. Food preparation equipment. Recreation and athletic equipment. Office machines. Rubber fabricated materials. Photographic supplies. Chemicals. Compressed gasses. Dyes.	Office supplies. Toiletries. Cleaning equipment and supplies. Packaging materials. Plastic fabricated materials. Household furnishings. Electrical hardware and supplies. Electrical system components. School items-library materials.
Electronics	Resistors.	Switches.

(Defense Electronics Supply Center, Dayton, Ohio	MCO 4400_163 DOD Supply mgt ref book	
	Capacitors.	Connectors.
	Filters and networks.	Crystals.
	Fuses and arrestors.	Relays and solenoids.
	Circuit breakers.	Coils and transformers.
	Electron tubes, transistors.	Headsets and handsets.
	Semiconductor devices, synchros and resolvers.	Antennas and waveguides.

by the agency. The objective is to achieve the lowest overall cost consistent with the performance and reliability required by the military services.

b. During Fiscal Year 1982, DLA audited savings for value engineering was \$42.3 million.

c. DLA has established Military Parts Control Advisory Groups at selected defense supply centers to perform a technical review of parts selected for use in new design. In Fiscal Year 1982, the Parts Control Program has totaled \$115.5 million in cost avoidance savings at a cost of about \$2.6 million.

d. Internally, the DLA has implemented four projects in the area of the standardization of automated systems, procedures, and programs.

(1) The first project is the Standard Automated Materiel Management System which is designed to provide uniform materiel management procedures throughout the agency.

(2) The second project, the Mechanization of Warehousing and Shipping Procedures, pertains to standardized data processing for storage depot operations, and the related warehousing and traffic management.

(3) The third project is the Mechanization of Contract Administration Services. This service, by DLA, furnishes computer-assisted data processing and retrieval to the complex sequence of services which are provided by the DCASRs and district offices to the buying offices, the item managers, and the industrial producers. The bulk of documentation inherent in Government contracts and the administration thereof provides a tremendous challenge to the computer programmers, contract administrators, and industry.

(4) The fourth project is the Base Operating Supply System.

7-7. DLA Inventory Control and Distribution System

a. As a manager of over 2 million of the 5 million items in the Federal Supply Catalog, the DLA is the primary supply support element for DOD.

b. The 2.2 million items assigned the agency for integrated management are centrally managed by six defense supply centers which perform all normal inventory control functions. Materiel distribution is accomplished through a supporting pattern of storage activities which receive, store, and issue DLA-owned materiel under direction of the center having item accountability.

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7-8. Storage and distribution activities

a. There are 33 storage locations in the Continental United States (CONUS) which comprise the Defense Logistics Materiel Distribution System. These depots have the responsibility for receipt, storage, physical inventory, maintenance in storage, and issue of assigned materiel. Perishable subsistence and bulk petroleum products are not stored at these depots. They are stored at specific storage points and terminals. Of the 33 storage locations for DLA materiel, six are managed by DLA. The other 27 storage locations are service managed. Chapter 20 lists the storage locations for DLA materiel.

b. Storage activities of the DLA Materiel Distribution System are identified as either principal distribution depots or specialized support points

in accordance with the type of distribution mission being performed. A principal distribution depot is a DLA-managed storage activity of the DLA Materiel Distribution System which is established to receive, store, and issue materiel of one or more DLA commodities as directed by defense service centers in support of all demands generated by all DOD and civil agency requisitioning activities located within the designated depot's geographic distribution area. A specialized support point is a military service-managed storage activity performing a specialized distribution mission for DLA-owned materiel in which the commodity range and depth is tailored to NSNs meeting specific demand criteria of a specified range of military service requisitioners, such as Navy Fleet and overseas bases or Army direct support system in Europe.

c. The six principal distribution depots operate as missions assigned to the following activities whose commanders report to the Director, DLA.

- (1) Defense Construction Supply Center, Columbus, OH.
- (2) Defense General Supply Center, Richmond, VA.
- (3) Defense Depot, Mechanicsburg, PA.
- (4) Defense Depot, Memphis, TN.
- (5) Defense Depot, Ogden, UT.
- (6) Defense Depot, Tracy, CA.

d. The eight specialized support points in CONUS are:

- (1) Naval Supply Center, Norfolk, Virginia.
- (2) Naval Supply Center, Charleston, South Carolina.
- (3) Naval Supply Center, Oakland, California.
- (4) Naval Supply Center, Puget Sound, Washington.
- (5) Naval Supply Center, San Diego, California.
- (6) Naval Shipyard, Philadelphia, Pennsylvania.
- (7) Naval Training Center, Great Lakes, Illinois.
- (8) New Cumberland Army Depot, Pennsylvania.

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e. In addition, outside CONUS DLA is responsible for operational management of the subsistence storage activities at Bremerhaven Cold Stores, Gomersheim Reserve Storage Activity, and Kaiserslautern Cold Stores in Germany. These storage activities are under the mission cognizance of the Defense Personnel Support Center, Deputy Commander for Subsistence, and Commander, Subsistence Field Activities with direct management and supervision by the Commander, Defense Subsistence Region, Europe, Zweibrücken, Germany.

7-9. DLA service centers

a. The DLA service centers consist of the DLSC, the DPDS, the DIPEC, the Defense Technical Information Center, the DLA Systems Automation Center, and the DLA Administrative Support Center.

b. Responsibilities assigned to these centers include the administration of programs and services as follows: DOD-wide cataloging (DLSC); materiel utilization, surplus personal property utilization and disposal (DPDS); focal point within DOD for maintaining records of in-use Government-owned industrial plant equipment and for storage and redistribution of idle industrial plant equipment (DIPEC); operation of DOD RDTE scientific and technical information systems; acquisition, storage, announcement, retrieval, and secondary distribution of scientific and technical documents, and primary distribution of foreign technical reports (DTIC); DLA automated systems and telecommunications support worldwide (DSAC); and the provision of administrative support and common service functions to DLA activities within the Washington, DC, metropolitan area (DSAC).

Section III

Contract Administration Services

7-10. Background

a. The DCAS mission was assigned to DLA after extensive study and represents one of the most significant efforts of the Defense Department to improve logistics management. The consolidation does not embrace, nor affect the procurement function itself, but rather the administration of contracts in the field after they have been executed by the contracting offices of the military departments and DLA. A prime objective of the merger was to provide a "single face to industry."

b. During 1962 and part of 1963, a study known as Project 60 was conducted under the policy guidance of high-level DOD military and civilian personnel. The study indicated the existence of considerable overlap and duplication in contract administration services functions among the military services under the US Army

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Materiel Command, the Office of Naval Material, and the Air Force Systems Command; the study further indicated the feasibility of consolidating the functions for centralized management. The Secretary of Defense in 1964 assigned responsibility for these functions to DLA.

c. A national planning group, composed of temporary duty personnel from the military services and DLA, developed a National Implementation Plan which was approved by the Secretary in December 1964. The planning group formed the nucleus of the headquarters element of the DCAS organization. During the development of the plan, a memorandum of understanding was developed with NASA concerning contract administration services performance on NASA contracts.

d. The National Implementation Plan provided for gradual permanent staffing of the DCAS headquarters element and for a time-phased schedule for consolidating and merging the contract administration services components of the military services and DLA into 11 DCASRs, responsible for administering contracts under the centralized management concept. The headquarters element was established on a permanent basis on 1 February 1965.

e. Conversion and organization of the DCAS field structure was completed in 1965. Since the establishment of DCAS, the field structure has been reduced from 11 to 9 regions. The DCASR, San Francisco, was consolidated with DCASR, Los Angeles, and DCASR, Detroit, with DCASR, Cleveland in 1976. Each of the nine regions is responsible for contracts within a specific geographical alignment in CONUS, as well as Canada and certain overseas areas. Figure 7-2 shows the DCASRs.

f. These overseas areas include Alaska, Hawaii, Mariana and Marshall Islands, Greenland, Iceland; Ascension, Virgin, and Bahama Islands; Bermuda, Puerto Rico, Central America, and South America. In addition, DCASRs have subordinate organizations which perform contract administration services for specific areas within regions, areas, and offices located in certain contract plants. These organizations consist of management areas (area responsibility) and plant representative offices (contractor plant responsibility). The DCAS management areas and the plant representative offices are now listed in DOD 4105.59-H, DOD Directory of Contract Administration Services Components.

7-11. Management concepts

a. DLA, as the hub around which the overall integrated materiel management system evolves, operates under a basic management philosophy of central policy direction and decentralized operating responsibility. Essential to this philosophy is a total management review process, which makes use of

performance evaluation and management reporting systems throughout the agency to: evaluate efficiency and economy in resource utilization; highlight deviations from approved program goals, objectives, and forecasts; determine casual factors, arrive at conclusions, and make decisions regarding courses of action to correct deficiencies or improve operations.

b. The DLA Planning and Programing Budget System Document, together with the Annual Operating Budget and its Special Program Analysis Guidance, are means whereby program goals and objectives, workload forecasts, and resource programs are established for each program area. The review and analysis process uses the approved programs and objectives as the primary basis for appraising actual performance and resource utilization. An automated data bank incorporating manpower, cost and performance data reported by field activities is a principal source of data for the continuous appraisal of program operating results, personal productivity, and operating costs trends.

c. Management review is performed on a continuous basis, vertically within each functional area or activity and horizontally across the entire spectrum of the DLA programs. This grid approach insures the detection of strengths and weaknesses in specialized functions. The vertical review is accomplished through various specialized operational reports directed to the functional managers concerned, the Highlight Reporting System, the Inspector General reports, and director's official visits, and the indepth appraisals of a given functional area presented at special briefings or during the course of various management reviews. Composite review and appraisals by top management in DLA, encompassing more than one functional area are conducted at the regularly scheduled monthly management reviews, and commanders conferences which in are principal executive forums for collective consideration of actual or potential problems. The forums considered vital to the DLA management review process are:

(1) Monthly Management Review. Provides recurring performance appraisals addressing operating results and resource utilization in all mission areas.

(2) DLA Commanders Conference. Problem-oriented appraisals covering performance as well as preselected topics are presented to the Director, DLA and the heads of principal staff elements and field activities on a semi-annual basis.

(3) Command/Management Objective Briefings. These presentations cover the status and progress of those projects on which the Director, DLA, desires to focus personal top-management attention. These presentations feature direct personal dialogue between the director and the action officer to facilitate timely de-

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{I i 44001639. gif: Figure 7-2. DEFENSE CONTRACT ADMIN REGIONS}

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cisions on project accomplishment. The briefing schedule is on a case-by-case basis.

(4) Director's Staff Conferences. Held at the call of the director, these conferences are reports of progress and discussion of subjects having general interest to the senior staff.

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Chapter 8

General Services Administration

Section I

Supply Support to the Department of Defense

8-1. Introduction

The supply support role of the General Services Administration (GSA) is to provide an efficient and economical procurement, supply, and services support to the Federal Government. Its Office of Federal Supply and Services, in close coordination with the Department of Defense (DOD) and the military services, provides worldwide supply support to military activities for those items assigned to GSA for integrated materiel management. Federal Supply and Services is instrumental in developing supply policies and methods governing civil agencies of the executive branch. This chapter describes the organization, mission, and responsibilities of GSA with particular emphasis on the operations of Federal Supply and Services as they relate to providing supply support to DOD.

8-2. Establishment

GSA was established by the Federal Property and Administrative Services Act of 1949 to provide an economical and efficient system for the management of Government property and records which includes the construction and operation of buildings; procurement and distribution of common-use supplies; disposal of surplus property; transportation and communication management; stockpiling of strategic and critical materials; and creation, preservation, and disposal of records.

8-3. Organization

a. The Administrator of General Services, appointed by the President with the advice and consent of the Senate, directs the programs of GSA. He appoints the Deputy Administrator who assists him in directing the programs of the agency and serves as acting administrator during his absence.

(1) The Office of the Administrator is responsible for providing overall direction and procedures in the field of standards of conduct and conflicts of interest; for coordinating and controlling the flow of all written communications and projects to and from the administrator's office; for tracking, monitoring, and expediting the completion of critical projects, problems, and issues; and for furthering the use of small and disadvantaged businesses by GSA.

(2) The Office of the Inspector General is responsible for policy direction and conducting audits and investigations relating to the programs of GSA. The Board of Contract Appeals is an independent administrative/judicial tribunal to hear, consider, and decide disputes under the provisions of the Contract Disputes Act of 1978. The Information Security Oversight Office oversees and insures Government-wide implementation of the information security program.

(3) The Office of Operations supervises the regions and insures that they are operated in accordance with Central Office policies in the most cost-effective manner possible. The Office of Policy and Management Systems is responsible for assisting the administrator in the formulation of agency policy. The Office of the Associate Administrator for Administration oversees organizational effectiveness and provides advice on major policies and procedures. The Office of the Comptroller is responsible for planning, implementing, directing, and coordinating all financial reporting and accounting support for GSA.

(4) The Office of Acquisition Policy exercises GSA procurement authority

as delegated by the administrator and serves as the principal focal point in GSA for acquisition and contracting matters. The Office of General Counsel is responsible for all legal activities within GSA nationally.

b. GSA has five separate but integrated offices/services. They are Information Resources Management, Federal Property Resources, Federal Supply and Services, National Archives and Records, and Public Buildings. Figure 8-1 portrays the GSA organization.

8-4. Missions

a. The Office of Information Resources Management is responsible for the direction and coordination of a comprehensive Government-wide program for the management, procurement, and utilization of automatic data processing and communications equipment and services. It is also responsible for planning, developing, establishing, and operating the Federal Telecommunications System and for coordinating with DOD in the planning, research, development, application, and evaluation of electronic equipment and associated communications facilities. The service is responsible for five Federal Data Processing Centers which provide data processing services to Federal agencies nationwide.

b. The Federal Property Resources Service promotes the utilization of real property and its transfer among Federal agencies; and disposes of personal and real property surplus to the needs of the Federal Government by donation, sale, or other means. The service also acquires, stores, and maintains inventories of strategic and critical material essential to military and industrial use in times of national emergency and disposes of such material when it is no longer required.

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{I i 44_00001. gif: Figure 8-1. GSA ORGANIZATIONAL CHART}

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c. The Office of Federal Supply and Services procures personal property and nonpersonal services for Federal agencies; stores and distributes supplies; promulgates Federal specifications and standards; maintains Federal catalog data; handles the utilization, donation, and sale of excess personal property; and manages GSA travel and transportation services.

d. The National Archives and Records Service selects, preserves, and makes available to the Government and the public the permanently valuable noncurrent records of the Federal Government. It promotes improved records management and paperwork practices in Federal agencies. It publishes those laws, constitutional amendments, Presidential documents, and administrative regulations having general applicability and legal effect, and administers the Presidential Libraries.

e. The Public Buildings Service is responsible for the design, construction, and management of federally owned and leased buildings, and for the acquisition and custody of the real property of GSA and the related personal property.

f. Regional offices are established in 11 cities throughout the United States. Within its area of jurisdiction, each regional office is responsible for executing the programs of GSA. The organization plan established for each regional office (see figure 8-2) provides for completely integrated operations and closely parallels the pattern established for the central

office. Operating authorities and responsibilities have been delegated to the regional administrators. Regional offices are located in Boston, Massachusetts; New York, New York; Philadelphia, Pennsylvania; Washington, DC; Atlanta, Georgia; Chicago, Illinois; Kansas City, Missouri; Fort Worth, Texas; Denver, Colorado; San Francisco, California; and Auburn, Washington. Primary geographical areas serviced by each region are shown in figure 8-3.

Section II

Federal Supply and Services Supply Operations

8-5. Procedures

a. The Federal Supply System integrates the functions of cataloging, standardization, inventory management, quality control, distribution, and contract administration. It involves the management, procurement, receipt, storage, and distribution of materials and equipment, either from stocks maintained in a system of distribution facilities or by procurement from suppliers for direct delivery to ordering agencies. The system reduces manual operations and uses computer operations to the maximum. It interfaces with DOD by use of a standardized requisitioning and priority system which is compatible with standard military procedures. Requisitions received in other than the standard format are converted prior to processing.

b. The Office of Federal Supply and Services uses a single computer under the FSS-19 System to determine which region will process a requisition. This is accomplished by the use of various computer files and tables which take into account the location of stock, quantity needed, where the order must be shipped, who must buy it if the item is not in stock, priority of the order, and other considerations.

c. The Federal Supply and Services uses a Zonal Distribution Concept to realize economies in shipping by routing orders for shipment from the optimum cost favorable depot with available inventory. Under this concept, the Federal Supply and Services has established 14 major domestic zones encompassing 3,350 counties with 5,000 value codes which are used to sequence counties and zones to depots in an economical pattern. Similarly, 56 export zones covering 232 foreign countries with over 2,000 value codes are used to sequence our overseas shipments.

8-6. Supply operations

a. Complete study operations are carried out by the regions. Each region has a counterpart organization of the Office of Federal Supply and Services Central Office and is headed by an assistant regional administrator, who is responsible to the regional administrator and is under the technical oversight of the central office. Each of the 11 regions has distribution facilities under its control. Requisition processing is accomplished in both the centralized and decentralized modes. Centrally, the FSS-19 System determines if stock is available and where it is located and then routes requisitions to the proper region. If stock is not available, it determines whether and where it will be back ordered. The FSS-19 System also processes the requisition, generates status, fills and ships the order to the customer. Items are stocked in various locations based upon demand history. This system is known as the variable stocking pattern and its objective is to minimize transportation costs and delivery time. In addition, the Office of Federal Supply and Services has implemented a national commodity assignment program, which assigns classes and groups to each regional inventory management area and segments of the central office in order to develop a better degree of commodity expertise. Specific regions as well as the central office are responsible for centrally procuring the commodities that are assigned to them. Requisitions requiring procurement action are then automatically referred to the appropriate procurement office.

b. Distribution of supplies in the stores program to all Government agencies is accomplished through a nationwide network of 10 wholesale supply distribution

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{Ii 44_00002. gif: Figure 8-2 GSA REGIONAL CHART}

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{Ii 44_00003. gif: Figure 8-3 GSA/REGIONS}

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facilities, 11 customer supply centers, and 52 self-service stores, located within the 11 regions. The regions also have an export mission, and export packing and shipment is performed within select facilities. The number of self-service stores is subject to expansion as justified by the concentration of military/civil agency activities having a need for self-service store items and support. The Office of Federal Supply and Services currently stocks about 17,000 common-use items valued at \$245 million in its distribution system. Total dollar value of goods and services provided to customer agencies in Fiscal Year 1983 amounted to nearly \$5.1 billion consisting of \$1.1 billion-Stores Sales, \$442 million-Special Orders, \$1.8 billion-Schedules Sales, \$440 million-Vehicle Purchases, \$343 million-Travel / Transportation Services, and \$1 billion-Property Management Services.

c. The Federal Supply Service System is capable of reacting to a variety of requisitioning channels in support of overseas military activities. The Defense Transportation System is used for movement of materiel to overseas military activities. For the Air Force, which does not maintain overseas depots, requisitions are accepted directly from each overseas base. Navy overseas requisitions generally are processed through the Naval Supply Centers at Oakland, California, and Norfolk, Virginia, then passed to the Office of Federal Supply and Services if stocks are not available at the naval centers. The bulk of Navy requirements are requisitioned in large quantities by the major tidewater supply centers and used for replenishment of their stockage levels. The Office of Federal Supply and Services participates in the Army's Direct Support System. While the largest volume of exports is for military service requirements, considerable support is also provided to the Department of State, the Agency for International Development, and other Federal civilian agencies.

d. A vital field liaison service is furnished to both military and civilian agencies through the Customer Service Officer Program. Customer service officers are located throughout the United States, in Europe, and the Pacific. They serve the customer through publicized seminars and personal visits. The seminars are arranged to reach the maximum number of customer elements. They provide a concentration of supply expertise, from both Federal Supply and Services and customer participants, concerning current, new, and proposed systems or problem areas. These seminars are reinforced by periodic visits to customer agency logistics elements where the customer service office determines requirements and provides guidance on the availability and use of services. He is also a troubleshooter, correcting any reported shortcomings in support and, at the customer's request, developing special programs to meet special needs. Customer service officers are

assigned to each regional office stateside. In Europe, two representatives are stationed at Rhein-Main Air Base, Germany. In the Pacific, representatives are located in Hawaii and Okinawa.

e. Area Utilization Officers of the Federal Supply and Services visit Government and contractor installations to screen, select, and freeze usable nonreportable excess Federal property for further utilization. Information on such property is made available to known users and to regional offices for circularization, direct referral, or other utilization action. These officers assist in obtaining release of property and in packing, pickup, or shipment. They assist agencies in resolving local problems of reporting and transferring excess personal property.

8-7. Methods of supply

The following methods of supply are used by GSA in carrying out supply and service support responsibilities:

a. Excess property program. This program constitutes the first source of supply to fulfill personal property requirements. Excess items which are similar to those required, or which can be substituted or adapted, are acquired for existing needs. Property management and procurement planning take into consideration the availability of excess materiel. To the extent practicable, proposed purchases are screened against this excess materiel, which is or can be made available.

b. Stock program. This program includes common-use type items procured and stocked in distribution facilities and self-service stores. These supply sources are strategically located to efficiently satisfy the requirements of Government agencies in all geographic areas. The items brought into the distribution system are those which are subject to repetitive demand and, hence, to requirements forecasting. Agency requirements of unusual magnitude which meet direct delivery criteria are converted to direct delivery from the supplier when this method is feasible. Only items physically suited to storage are stocked at distribution points.

c. Federal supply schedule (FSS) programs. Many items purchased by GSA cannot be stored economically in its depots for redistribution. These usually have a wide range of variable characteristics requiring selectivity in procurement, or are available at reasonable costs directly from the nationwide distribution system of the manufacturer. Requirements contracts are established with suppliers covering a given period of time, for supplies and services at fixed prices. These contracts are summarized in the FSSs which provide Federal agencies and certain authorized cost-reimbursable contractors with established sources for over 700,000 nonstocked standard commercial end items and for a wide variety of commercial-type services. The total dollar

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value of items shipped and services rendered to ordering agencies reported under FSS contracts in Fiscal Year 1983 amounted to nearly \$1.8 billion. FSSs are distributed, upon request, to military and civilian agencies and also to authorized contractors. The suppliers make direct delivery of the items or perform the services, and bill the ordering activities directly. This method of supply is the largest and most frequently used.

d. Information resources management schedules. These nonmandatory schedules provide a supply source for Federal users of automated data processing equipment. These schedules, which are similar to the FSSs, accounted for sales totaling \$427 million during Fiscal Year 1983.

e. Special order program. Certain items which have a substantial recurring demand are sometimes not suitable for inclusion in stock or on the FSS. Requirements for certain items are consolidated and contracts executed which

provide for direct shipment from the supplier to the requiring activity.

f. Local purchase/decentralized purchase. This method includes items which Federal Supply and Services has authorized for local purchase as a regular means of support. However, procurement support will be furnished if the requisitioning activity is unable to procure locally or does not possess suitable procurement capability. This is accomplished by agreement for all Army and Air Force overseas activities.

8-8. Cataloging, Standardization, and Quality Control Within the Federal Supply and Services

Cataloging, standardization, quality control, and field contract administration activities provide essential support to DOD.

a. Cataloging. GSA is a partner with DOD in the administration of the Federal catalog system. The administrator has delegated the authority for the central maintenance of the system to the Secretary of Defense. This mission is fulfilled by the Defense Logistics Services Center (DLSC) in Battle Creek, Michigan. The administrator retains the responsibility, however, for the cataloging of all civil agency items. Special arrangements have been made with the Federal Aviation Administration, the United States Coast Guard, and the Veterans' Administration, whereby they describe their items and forward descriptions to DLSC for stock numbering. Although these items are processed directly, GSA receives notification of all actions taken.

b. Specifications. Specifications are clear and accurate descriptions of the technical requirements for materials, products, or services. They specify the minimum requirements for quality, design, and construction, or performance necessary for an item to be acceptable. Generally, they are in the form of written descriptions with drawings, prints, commercial designations, and references to industry standards and other descriptive materials. Specifications are an integral part of invitations for bid and become a part of the contract. Currently, there are 4,243 Federal specifications. GSA maintains approximately 3,125 of these; the remainder are maintained by agreement with other Federal agencies and military activities having a major interest in the commodities covered. In addition, 53,720 purchase descriptions are used in the procurement of items supplied to other agencies. During Fiscal Year 1983, there were over 1,428 revisions to these documents. These revisions consist of changes in the technical requirements, test methods, standard pack information, and packaging and marking requirements. Approximately 547 new purchase descriptions were added during Fiscal Year 1983.

c. Commercial item description program. Commercial item descriptions are being developed to replace detailed, complex Federal specifications for common-use commercial items as well as for common-use items selected from our multiple awards schedules which demonstrate high demand and dollar volume for functionally similar items.

d. Standards. There are 211 Federal standards with 1,417 associated test methods. Limitation of procurement to only standard items creates savings by reducing capital investment in inventory, storage space, and management costs. Test methods standards are used to provide assurance as to the quality of a product by establishing uniform test methods. Engineering standards require the use of standard engineering practices dealing with design, construction, maintenance, use, and related product characteristics. Materiel standards specify the chemical and physical characteristics of the basic materials. Procedural standards provide specific methods for obtaining desired results.

8-9. Quality control and field contract administration

GSA operates a quality control and field contract administration program through its regional offices to insure compliance with contract requirements. This program prevents the delivery of substandard or defective materiel to Government agencies and, in so doing, it maintains the integrity of the competitive bid system.

a. Testing. Acceptance testing is performed in the Region 9 Laboratory which is equipped and staffed to handle specialized testing for handtools, paints, chemicals, and similar commodities. Heavy reliance is placed on outside private testing facilities to insure the quality of GSA-provided commodities.

b. Pre-award evaluations. Emphasis is placed on pre-award engineering evaluations of bidders, facilities to insure that contracts are awarded only to suppliers

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capable of meeting all contractual requirements.

c. Quality-approved manufacturer program. This program is designed to insure at minimum cost to the Government and the supplier, that the supplies purchased conform to the requirements established by the procurement documents. It recognizes the manufacturers who have excellent control over the quality of their products as evidenced by past performance, and as determined by a Government evaluation of their quality control system. Reliable suppliers whose quality control systems result in the consistent and timely delivery of specified quality are given the authority to ship without Government inspection of every order. This program does not waive inspection; it merely permits reduced inspection in the form of unannounced periodic surveillance by a quality assurance representative from GSA. This is a major cost avoidance program of the Contract Management Program.

d. Federal supply schedules. To render quality control support to civil and military agencies in the appropriate degree, items supplied by FSS are subjected to varying quality control and field contract administration procedures. The criteria place schedule-type items into one of three classifications:

- (1) Safety and firefighting equipment.
- (2) Items mandatory for use by all agencies.
- (3) Items having repetitive quality or delivery problems.

Schedules are being evaluated continually in the light of these criteria and the procedures changed as necessary. Inspection of material from any schedule will be made at destination by the consignee except: where the schedule provides for GSA source inspection prior to shipment (in this case, the schedule will indicate that source inspection is mandatory); or where a schedule is covered by specifications or technical descriptions and an agency determines that GSA inspection assistance is needed. Reasons may be the volume of procurement, complexity of the item, past performance of the supplier, etc. In either case, ordering activities must request this service in accordance with current procedures.

e. Quality complaints. All quality complaints concerning GSA stock and non-stock items which are purchased by Federal Supply and Services are investigated by regional Contract Management Division. For items provided under the FSS Program, GSA investigates only quality deficiencies involving items for which it performed origin inspection. As indicated above, it is the responsibility of the ordering agency to inspect and resolve quality deficiencies or other discrepancies on items procured from Federal Supply and Services specifying inspection at destination.

f. Field contract administration and the contract management division. This division has continuing contact with suppliers. It must obtain a complete understanding of the manufacturing operations and perform field contract administration for all contracts requiring origin inspection. Quality assurance specialists administer each contract to insure compliance by the manufacturer with all contract provisions and terms. Before the materiel are manufactured, they discuss all terms and conditions of the contract with the supplier and review the referenced technical specifications.

tions; the supplier's policies and procedures for production planning and scheduling; procurement of materiel; and quality control of raw material, inprocess parts, final assemblies, end product, and packaging, marking, and shipping to insure full compliance with all contract terms. Throughout the life of the contract, the contract management division is responsible for insuring the supplier's continued compliance with all contract provisions.

g. Facility surveillance. To guard against the issuance of substandard materiel, surveillance actions are conducted on stocked items. This is a program of periodic inspection of items subject to deterioration. They are removed from the stocks if they are found to have deteriorated. If they are found to be issuable, the shelf-life is extended and the outer container labeled to indicate the extended period. The item is then rescheduled for inspection at one-half the original shelf-life period. Continuing surveillance is conducted to evaluate conditions of storage or stocking so optimum usability will be maintained. Surveillance is also conducted when substandard materiel are discovered in the investigation of a quality complaint.

8-10. Organization

The implementation and control of these responsibilities is administered by the Assistant Administrator for Federal Supply and Services, through seven principal offices and four commodity management centers. Figure 8-4 portrays the Federal Supply and Services organization.

a. Office of Management. This office is responsible for budget administration, resources management training, management review, program operations review, management information systems, forecasting, and data systems management.

b. Office of Policy and Agency Assistance. This office is responsible for development and/or coordinating the development of Government-wide and internal supply management policy consistent with uniform national supply program objectives and maintains customer agency liaison.

c. Office of Contract Management. This office is responsible for insuring that the materials and services procured by the Federal Supply and Services comply with specified quality, performance, packaging, and marking requirements. Related responsibilities include inspection and testing of materials and overseeing im-

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plementation of mandated product standards such as those involving safety, health, and protection of the environment. Insures the effective administration of FSS contracts.

d. Office of Property Management. This office is responsible for the worldwide management of excess personal property for all agencies (except automatic data processing equipment) to include reutilization within the Federal Government donation of surplus to eligible activities, or the sale of surplus property to the public.

e. Office of Transportation. This office plans, directs, and manages GSA Government-wide transportation, traffic management, travel, fleet management, and employee relocation programs. Provides oversight and administrative

management of the Government-wide US National Credit Card and the Federal Travel Card Systems.

f. Office of Procurement. This office buys the goods and services necessary for Federal Supply and Services operations. Responsibilities include planning, review, and approval of procurements; developing procurement policy as it relates to internal Federal Supply and Services; executing contract authority; performing commodity management; and developing new and improved procurement techniques. Also manages the civil agency portion of the Federal Catalog System.

g. Office of Supply. This office distributes the goods procured by the Federal Supply and Services. Responsibilities include: order processing and control; management of inventory; wholesale and retail operations; and distribution management.

h. Commodity management centers. Four commodity management centers are responsible for nationwide commodity management to include the contracting and engineering for assigned commodities. These centers and their commodities are: the General Products Commodities Center. Office and Scientific Equipment; the Automotive Commodity Center, Automotive/Equipment Support; The Furniture Commodity Center, Furniture and Furnishings; and the Tools Commodity Center, Tools.

Section III

Federal Supply and Services

8-11. History

a. One of the earliest steps toward centralized procurement in the Federal Government was taken with the establishment of the General Supply Committee under the Treasury Department in 1910.

b. Its principal function was to enter into indefinite quantity contracts published as General Schedules of Supply for use by agencies in ordering supplies. This type of contracting is still maintained and the publications are known as Federal Supply Schedules. In 1920, Congress established a General Supply Fund of \$300,000 and in 1930 the Federal Warehouse was opened in Washington, DC. In 1933, the Procurement Division in the Treasury Department was created by Executive order and the General Supply Committee abolished. All functions and resources, including the General Supply Fund and the Federal Warehouse were transferred to the Procurement Division. During 1943-45, regional warehouses and supply centers were established in Boston, New York, Atlanta, Cleveland, Kansas City, Fort Worth, Denver, San Francisco, and Seattle, and a subwarehouse in Philadelphia, largely through consolidation of existing facilities created under the various emergency relief programs following the depression. The Procurement Division was redesignated the Bureau of Federal Supply in 1947, and later became the Federal Supply Service under GSA. Today, this vital arm of GSA is the Office of Federal Supply and Services.

Section IV

Basic Federal Supply and Services Support to the Department of Defense

8-12. Development

a. Prior to 1963, GSA provided support on an elective basis to military activities on office and housekeeping supplies and equipment. GSA was also considered a source of military decentralized items, or those authorized for local procurement. In 1963, a Memorandum of Understanding provided for GSA to assume responsibility for the procurement and management of the bulk of the paint and handtool commodities previously managed by the Defense Logistics Agency (DLA). Subsequent actions emanating from an overall joint agreement in 1964 between GSA and DOD governing supply management relationships resulted in the transfer for GSA management of 68 Federal Supply Classes from the DLA. During 1968, the procurement of administrative/general-purpose vehicles previously assigned to the Army for DOD support was assigned to GSA.

In 1967, the Office of the Secretary of Defense directed that a selected number of functions performed by DLA in the GSA range of classes be assigned to GSA. These functions included war reserve determination; industrial mobilization planning; standardization; provisioning; cataloging and procurement of overseas Army and Air Force decentralized items.

b. Because the services and defense agencies were now relying more heavily upon GSA for supply support and were, at the same time, procuring, storing, and distributing the same or similar items for which GSA provided support to civil agencies, added emphasis was

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placed on the development of a national supply system.

Section V The National Supply System

8-13. Definition

a. Through a series of progressive actions, the Office of Federal Procurement Policy, Office of Management and Budget (OMB), in concert with appropriate officials of major departments and agencies, including GSA and DOD, has developed a preliminary definition and description of the proposed National Supply System for the Federal Establishment.

b. The preliminary approved definition for a National Supply System is a uniform integrated Federal-wide system for the acquisition, supply, and distribution of personal property and related services, with authority to establish, enforce, and monitor policies and procedures, worldwide in scope and application.

c. As proposed, it will consist of uniform policies and procedures applied on a Government-wide basis to the supply process including acquisition, cataloging, storage, distribution, and so forth. Its aim is to encompass all executive branch departments and agencies.

d. Benefits to be realized are principally those of reducing the administrative and support costs of Government by eliminating overlap and duplication in supply operations.

e. In the past, the primary parties involved in the development and implementation of a national supply system concept have been the Office of Federal Supply and Services, GSA working closely with DLA, and DOD. The objective is that there would be one manager for each supply item; avoidable duplication and overlap between the respective supply systems would be eliminated and integrated materiel management would be provided to all Government agencies for commonly used commercial commodities.

f. A series of agreements and understandings was reached with DOD formalizing supply management relationships under this concept. GSA and DOD are currently operating under an agreement of February 1971 governing supply management relationships under the National Supply System.

g. Through negotiations with DOD, dual management of common-use commercial items which existed between DLA and the Federal Supply and Services has been virtually eliminated. Many standard processes have been developed. Both GSA and DOD, and to some extent the Veterans Administration, provide support to all agencies of the Government, both military and civilian. Major actions completed as a result at the agreements provide that:

(1) GSA is assigned 70 Federal Supply Classes for national management, responsibility for the procurement of commercial vehicles and trucks, and management of over 8,000 commercial items in classes assigned to DLA. GSA serves as the Commodity Integrated Materiel Manager for DOD activities for these assigned classes.

(2) DLA is assigned national management responsibility for 143 Federal

Supply Classes, including worldwide support for electronic items, fuel, packaged petroleum products, and clothing and textiles.

(3) Publication by DLA of a civil agency catalog permitting direct requisitioning on the appropriate defense supply center. It provides guidance to the civil agency user in locating and interpreting the information on supply availability. The catalog contains items which have at least one Federal civil agency recorded as a user in the records of DLSC in those classes for which DLA is the primary source of supply.

(4) Agreement between GSA and DOD which provides Federal civil agencies with supply support by the military services for items peculiar to the programs of the services and not normally available to civil agencies from regularly established sources of supply.

(5) At the direction of the Office of Federal Procurement Policy, OMB, an interagency committee is developing a single system to manage medical items and nonperishable subsistence for support of all Federal agencies within the concept of the National Supply System. Committee membership consists of representatives from GSA, DOD, Veterans' Administration, and the Department of Health and Human Services (Food and Drug Administration). Agreement has been reached between DOD and the Veterans' Administration by which the central purchase of all medical and nonperishable subsistence items will be divided between their agencies without duplication. GSA has transferred its supply support responsibilities in nonperishable subsistence to DOD and the Veterans Administration. The Department of Agriculture is assigned the management of food specifications and the inspection and acceptance of food products. The Food and Drug Administration is responsible for the quality assurance of federally procured medical items. In 1981, GSA began to divest itself of management responsibility for medical items by reassignment of the responsibility for medical FSS is being conducted on a phased basis as directed by the interagency committee.

(6) Interface of supply agreements and procedures with defense activities. In addition to directly supporting military activities for the commodities in the Federal Supply Classes for which GSA is the commodity manager, numerous agreements and working relationships have been established with DOD to provide re-

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lated military supply and service support. Key areas include:

(a) Federal catalog program. GSA is a full-time participant in the program, performing all functions of a Commodity Integrated Materiel Manager for those Federal Supply Classes assigned and serving as the cataloging organization for civilian agencies. Dissemination of data and publications related to these items takes place in the same way as for those items managed by the services or defense agencies. In addition, GSA publishes hard-copy supply publications of general interest: the GSA Supply Catalog, the Customer Assistance and FSS.

(b) Initial provisioning. GSA is responsible for providing provisioning support to defense activities for the Federal Supply Classes assigned.

(c) Memorandum of understanding between GSA and DLA. This memorandum covered an agreement for procurement support of Army and Air Force overseas requisitioners for decentralized items managed by GSA, which assumed this responsibility for stock numbered and nonstock numbered items falling within the commodity classes managed by GSA.

(d) Agreement between GSA and the Defense Department governing procurement of commercial vehicles and trucks. Transfers the coordinated procurement responsibilities from the Department of the Army (DA) to GSA for commercial passenger-carrying vehicles and trucks up to 10,000 pounds gross vehicle weight, with minor exceptions.

(e) Memorandum of understanding between DLA and the Federal supply

service. This memorandum covered the responsibility for general mobilization reserve functions for items assigned to and managed by GSA in support of DOD, to include industrial mobilization planning.

(f) Agreement between DOD and CSA on interagency cross-servicing in storage activities. It provides for the military services and civilian agencies of the Government to make available to each other, on a reimbursable basis, storage and warehousing services which they may require from time to time. This agreement provides that charges for services performed will be based on standard rates established by the agency for its own use.

(g) Materiel returns program. GSA and DOD have implemented a new standard Materiel Returns Program which replaces the GSA Credit Returns Program and the DOD Returns Program. Under this program, the appropriate managing agency is responsible for "buying back" quantities of items normally stocked by the agency when the items are excess to the civilian or military user. An automated program screens all offers for returns. Quantities which fall within the acceptance criteria are directed for shipment to the appropriate materiel return activity. Following physical receipt, transaction identification and materiel classification are accomplished, and those items in an acceptable condition are recorded on accountable records, with credit being applied to the shipper's account.

(h) Communications.

1 Automated digital network (AUTODIN). GSA communications facilities (Federal Telecommunications System Network) are interconnected with the AUTODIN, the military data transmission system. All military requisitions and related communications, originated worldwide, are transmitted by way of the defense network and enter communications facilities of GSA by way of its switching centers and the Federal network, which automatically distribute traffic to the appropriate activity.

2 Defense Automatic Addressing System. GSA is a full participant in this system which receives, processes, and forwards logistics traffic to or from the appropriate source of supply.

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Chapter 9

Department of Transportation

Section I

Introduction

9-1. History

a. The Department of Transportation (DOT), a cabinet-level department, was established by the Department of Transportation Act of 1966, Public Law (PL) 89-670. It came into formal existence on 1 April 1967. Many months of extensive planning preceded the creation of this new department which brought together into one overall organization 35 different programs. The new department has nearly 100,000 employees and annual budget of more than \$6 billion.

b. In formally opening the department for business in 1967, the President emphasized the following tasks for this new department:

(1) To modernize and unify our national transportation policy.

(2) To bring greater safety in travel to all Americans.

(3) To apply the best of an expanding technology to every mode of transportation.

(4) To strengthen our partnership with private enterprise and State and local governments in meeting urgent transportation needs.

(5) To improve our transportation links with the rest of the world.

c. The Secretary of Transportation described the functions, powers, and

duties of the department's top-ranking officers in a notice in the Federal Register. It was made part of the Code of Federal Regulations with the title of Part 1-Functions, Powers, and Duties in the Department of Transportation. The overall structure of this new department is displayed by the organizational chart shown as figure 9-1.

d. The structure of the Office of the Secretary of Transportation through the level of functional offices is:

(1) Secretary. The Secretary and Under Secretary are assisted by the Deputy Under Secretary and his Offices of Planning and Program Review and Budget, the Executive Secretariat, the Contract Appeals Board, and the Departmental Director of Civil Rights, all of which report to the Secretary. The Assistant Secretaries and the General Council report directly to the Secretary.

(2) Office of The Assistant Secretary for Policy and International Affairs. This office is composed of the Offices or Systems Requirements, Plans, and Information; Policy and Review Coordination; Economic Studies and Projects; International Transportation Policy and Programs; International Cooperation; and Facilitation.

(3) Office of the Assistant Secretary for Environment and Urban Systems. This office is composed of the Offices of Program Coordination; Environmental and Urban Research; Special Projects; and Community Relations.

(4) Office of the Assistant Secretary for Research and Technology. This office is composed of the Offices of Systems Engineering, Physical Sciences, Life/Medical Sciences, Noise Abatement, Hazardous Materials, Pipeline Safety; and Telecommunications.

(5) Office of the Assistant Secretary for Public Affairs. This office is composed of the Offices of Congressional Relations, Public Information, Government Liaison, and Industry and Labor Liaison.

(6) Office of the General Counsel. This office is composed of the Offices of Operations and Legal Counsel, Regulation, Litigation, and Legislation.

(7) Office of the Assistant Secretary for Administration. This office is composed of the Offices of Personnel and Training, Management Systems, Administrative Operations, Investigations and Security, Audit, Emergency Transportation, and Logistics and Procurement Management.

e. In addition to the Office of the Secretary of Transportation described above, the department is composed of the US Coast Guard, the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, the Urban Mass Transportation Administration, the St. Lawrence Seaway Development Corporation, the heads of which report directly to the Secretary, and the National Transportation Safety Board, which performs its functions independently of the Secretary.

f. The two DOT activities having supply systems of interest to the Department of Defense (DOD) are the US Coast Guard and the Federal Aviation Administration.

Section II

United States Coast Guard Supply System

9-2. Introduction

a. The Coast Guard represents in its historical development since 1790 the amalgamation into one integral service of the former Revenue Cutter Service, the Lifesaving Service, the Lighthouse Service, and the Bureau of Marine Inspection and Navigation.

b. The Coast Guard was transferred from the Treasury Department to the DOT in 1967. The functions of the Coast Guard in general terms, are:

(1) Enforcement or assistance in the enforcement of Federal laws upon the high seas and waters subject

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to the jurisdiction of the United States.

(2) Administration of laws and promulgation and enforcement of regulations for the promotion of safety of life and property on the high seas and waters subject to the jurisdiction of the United States.

(3) Development, establishment, maintenance, operation, and conduct, with due regard to the requirements of national defense, of aids to maritime navigation, icebreaking facilities, oceanographic research, and rescue facilities for the promotion of safety on and over the high seas and waters subject to the jurisdiction of the United States.

(4) Maintenance of a state of readiness to function as a specialized service in the Navy in time of war.

9-3. Coast Guard Logistics

The Logistics program of the Coast Guard is structured to function in three interrelated areas:

- a. The Washington headquarters organization
- b. The 12 geographic district operating organizations plus a European command
- c. A group of special-purpose field activities located within the geographical boundaries of the districts, but independently supervised from the Washington headquarters.

9-4. Washington headquarters

The Commandant is supported by a staff organized along functional lines. In this organization, the logistics support is divided between the Office of Engineering (which controls the design, construction, repair, maintenance, outfitting, and alteration of vessels, aircraft, aids to navigation, shore establishment, machinery, electronics equipment, and utilities), and, the Office of the Comptroller (which controls the maintenance of accounts, disbursement of funds, audit, and the supply program including procurement, storage, and distribution of equipment, supplies, and services). Under the Comptroller, the Chief of the Supply Division manages a Procurement Branch, Transportation Branch, Materiel Management Branch, Real Property Management Branch, and a Supply Procedures Branch.

9-5. District organization

The district commander is supported by a staff organized along the same functional lines as the headquarters organization. There are an Engineering Division and a Comptroller Division which provide the same logistics support functions but with a somewhat simplified structure. Under the district commander in a number of districts, there are supply depots for local materiel support. The districts also operate industrial bases for support of district facilities such as aids to navigation, vessels, and shore facilities.

9-6. Special-purpose activities (headquarters units)

The principal field activities under direct supervision of headquarters which perform substantial logistics support functions are the Coast Guard Yard, Curtis Bay, MD; the Aircraft Repair and Supply Center, Elizabeth City, NC;

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and the Supply Center, Brooklyn, NY.

9-7. Coast Guard Yard

The Coast Guard Yard is a small industrial shipyard capable of constructing complex vessels up to about 260 feet in length. Its principal functions are shipbuilding and repair; construction of boats, aids to navigation equipment, and special equipment not readily obtainable commercially; preserving, storing, and maintaining decommissioned Coast Guard vessels; storing and issuing repair parts for ships and boats, aids to navigation items, and special materials under headquarters' control; and performing prototype installations and alterations.

9-8. Aircraft Repair and Supply Center

The Aircraft Repair and Supply Center is a combination industrial, supply, and training facility. It performs maintenance, overhaul, repair, modification, prototyping, and preserving of aircraft and aircraft components and associated equipment. It procures, repairs, stores, and issues materials for aircraft and aviation electronic support, performing the inventory management and supply control functions for these stocks. It conducts training programs for various aviation specialty ratings.

9-9. Supply Center

The Supply Center is the principal warehousing and supply support activity for the Coast Guard. It procures, stores, and issues materials and equipment peculiar to the Coast Guard or requiring supply support not available from DOD or the General Services Administration (GSA). It provides storage and issues services for materiel controlled at headquarters and provides full-range inventory management and supply control functions for materiel assigned to its management.

Section III

The Federal Aviation Administration Supply System

9-10. Introduction

The Federal Aviation Administration was created pursuant to the Federal Aviation Act of 1958 which brought together functions previously performed by the Civil Aeronautics Administration and the Airways Modern-

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ization Board. It also assumed the safety regulatory authority formerly exercised by the Civil Aeronautics Board. In 1967, the Federal Aviation Administration became and operating administration of DOT.

9-11. Federal Aviation Administration Logistics

The Logistics Program of the Federal Aviation Administration is structured to function in three interrelated areas:

- a. Washington headquarters
- b. Central Materiel Depot at the Aeronautical Center in Oklahoma City
- c. Regional or field support operations under the direction of the agency's eight regional offices.

There are also representatives in approximately 25 foreign countries and they, to some extent, are involved in the agency logistics system.

9-12. Federal Aviation Administration Logistics service

a. The Director, Logistics Service, under executive direction of the Associate Administrator for Development, is responsible to the Administrator of the Federal Aviation Administration for agency wide management of the logistics program. This program encompasses the responsibility for planning, monitoring, and controlling the scheduling, the construction, and the installation of air navigation, air traffic control, and aeronautical communications facilities for the National Airspace System (except for en route automation programs at air route traffic control center and terminal automation programs at air traffic control facilities), and for international programs and foreign governments; and provides for the procurement and management of real and personal property, transportation, and materiel support of agency programs.

b. The Logistics Service is composed of an executive staff, one staff division, and two operating divisions. The functional responsibilities of these organizations are:

(1) Executive staff. Furnishes administrative management support for the Logistics Service. Develops the materiel budget and the financial management program. Administers the logistics management information system and the defense and mobilization preparedness program.

(2) Logistics policy and systems division. Provides agency logistics policy, standards, systems, and procedures and monitors the implementation and execution thereof.

(3) Procurement operations division. Provides contractual services, including related contract management, quality assurance, and materiel inspection in support of the agency research and development, and facility installation and modification programs.

(4) Facilities establishment division. Provides national planning and program management for the installation or modification of air navigation, air traffic control, and aeronautical communication facilities for the National Airspace System (except for en route automation programs at air route traffic control centers and terminal automation programs at air traffic control facilities), including assistance and support to other Government agencies and foreign governments for similar facilities.

9-13. Federal Aviation Administration Depot

a. The Federal Aviation Administration Depot is responsible for the management of the central materiel inventories and the distribution system. This mission includes cataloging, initial provisioning, inventory control, traffic management, and shops and engineering services required in support of agency air navigation, air traffic control, and aircraft operations, both foreign and domestic.

b. To provide materiel support for agency programs, the depot manages approximately 126,000 line items valued at \$60 million. In an average year, the depot will process some 500,000 materiel requisitions from approximately 2,000 requisitioning offices in support of 8,500 facilities.

c. The inventory management and financial accountability programs of the depot are computerized. This mechanization provides inventory posting actions, issue and return documents, financial transfer documents, and budget and inventory management information.

d. The depot participates in the DOD central mechanized screening of assets and requirements, and uses Federal Standard Requisitioning and Issue Procedures and support agreements with the Defense Logistics Agency (DLA) and the military services.

e. The depot also requisitions for the agency those common-use items managed by GSA. Federal Aviation Administration requisitions, submitted under the Operating Materiel Management System described below are mechanically converted to conform with the Federal Standard Requisitioning and Issue Procedures and are then forwarded to the GSA regional depot supporting the requisitioning office. Centralized accounting simplifies materiel support operations for Federal Aviation Administration field

activities.

9-14. Basic materiel subsystems

The materiel management function is done through the use of two compatible subsystems:

a. The Project Materiel Management System, which provides centralized control, from project planning through completion, for major equipments, components, and parts required for use in the agency installation or modification programs.

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b. The Operating Materiel Management System, which provides control of exchange and repair, and expendable items required for initial and continuing operational support.

9-15. Project materiel

a. The Facilities Establishment Division of the Logistics Service manages the Project Materiel Management System and is responsible for overall program and project planning for the establishment or modification of agency navigation and traffic control facilities. This division plays a major role in project approval and insures that the required management information pertaining to both the program and materiel areas are provided to the Aeronautical Center for inclusion in their data bank. Based on this computerized information, periodic reports are prepared and forwarded to the Washington program managers, the depot materiel manager, and the regional project officer. The common data bank provides information necessary to compare materiel requirements with assets and to develop reports on materiel deficiencies, delivery problems, and the impact of materiel shortages. Division program managers develop specific program and procurement plans for meeting materiel requirements and order deliveries from the contractor's plant to the point of installation or to interim storage locations for transshipment or storage pending initiation of projects. Program managers exercise control over all materiel items throughout the various stages of project completion.

b. Items that are shipped to the depot for interim storage are placed in a project materiel inventory account for later shipment to the point of installation when requisitioned by the regional office responsible for installation and construction of the facility. If in inventory at the depot, the materiel remains under control of the program manager who reserves it for specific projects.

9-16. Operating materiel

a. The operating Materiel Support System is managed by the Federal Aviation Administration depot. The program is unique in that the requisitioners do not have to determine reorder points or replenishment quantities on items with recurring demand. This is done by computer at the depot. The principal processes in the operating materiel system are designed around the use of a mechanized requisition card, a stock selection card which serves the dual purpose of stock selection and packing control for the depot and provides reorder data for the ordering office, and a mechanically prepared equipment return document, which is used for the field return of reparable assets.

b. Following is a summary of the Operating Materiel Management System:

(1) Concurrent with the purpose of equipment for a new facility, the depot provides initial provisioning for operating repair parts. These repair parts may be positioned onsite, placed in depot stock, or a combination of

the two. For those initial support items placed onsite, the depot prepares and includes in the shipment a prepunched requisition card for each item. These cards contain transaction data, both constant and variable, such as annual demand, and date and quantity of last shipment. Also included are "stub" cards which reflect the reorder point, and are placed with the materiel at the facility storage site.

(2) When the facility stock level reaches the reorder point, the stub card is matched with the requisition card, the demand data are verified, and the card is forwarded to the depot. The stub is retained as the onorder record.

(3) At the depot, the requisition data are input to the computer. In the issue process, the annual demand is updated, using data relating to the previous replenishments. Through the application of an "economic order quantity" formula to these data, a new replenishment quantity and reorder point is computed.

(4) The issue process provides a shipping invoice and a prepunched and interpreted reorder requisition card, which reflects all data necessary to reorder items subject to recurring demand. In addition, an equipment return document is provided for use in returning reparables designated for depot repair. This form provides data needed to match the reparable receipt with the serviceable issue transaction for better asset control by the depot.

(5) Upon receipt of the materiel, field personnel file the reorder card and place the stub with the item in the materiel location. Copies of the shipping order are forwarded to the regional accounting office for record purposes. Thus, the cycle is completed until the reorder point is again reached.

c. In addition to items supplied by the depot from its central inventory, approximately 100,000 requisitions a year are filled on a direct-ship basis. Each non-stocked, direct shipment is recorded in a mechanized history file. If recurring demand develops for a specific item, it is considered for stockage by the depot.

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Chapter 10

Integrated Materiel Management

Section I

General

10-1. Introduction

a. Single-manager agencies were established within the military departments at the direction of the Secretary of Defense, starting in 1955. This action reduced supply inventories and operating costs, while maintaining effective support of the Army, Navy, Air Force, and Marine Corps. After a survey of the possible extension of integrated management into other areas, the Secretary of Defense announced on 31 August 1961 that the Defense Supply Agency (now the Defense Logistics Agency (DLA)) would be established to manage the procurement and distribution of common supplies at the wholesale level.

b. The conversion of the military departments' single manager activities to the DLA field activities began on 1 January 1962, proceeding without major problems. The relatively smooth transition was made possible, in large part, because DLA assumed management of the assigned personnel, funds, equipment, facilities, and inventories. DLA was then and is still staffed with military personnel from all the Armed Services along with civilian personnel.

c. One immediate benefit of the new organization was a shorter logistics chain of command and communication. Formerly, the single managers reported

through either the Army technical services or the Navy bureaus, then to the chief of military logistics of his service (the Assistant Secretary), then the Secretary of the military department, and finally, the Secretary of Defense. Under the new arrangement, the supply or service center commander reports to the Director of DLA who, in turn, reports directly to the Assistant Secretary of Defense (Manpower, Installations, and Logistics) (ASD(MI&L)).

d. DLA is the wholesale manager of assigned items of supply. It distributes these items from depots in the United States to Armed Forces installations worldwide.

e. Materiel assignments are made to DLA by the Office of the ASD(MI&L) based on Federal Supply Classification within defined commodity groupings. These commodity groupings are medical, subsistence, clothing, electronics, construction, industrial, chemical, general supplies, and bulk and packaged petroleum products. In the medical, subsistence, and clothing commodities, all items are automatically assigned to DLA. In the remaining commodities, items are assigned for integrated management to DLA through a process known as item management coding.

f. Item management coding is a process in which all stock number items in Federal supply classes assigned to DLA for management are reviewed against criteria established by the Office of ASD(MI&L) to determine if the items will be retained for management by the military service introducing them or transferred to DLA. From 1962 to 1964, item management coding was performed under rather general criteria which resulted in a high percentage of items in the supply classes assigned to DLA remaining under military service management. Item management coding is described in more detail in chapter 11.

g. In March 1964, the Office of the Assistant Secretary of Defense (Installations and Logistics) now (Manpower and Logistics) initiated a study to identify problems associated with interpretation and application of existing criteria, and to develop more definitive rules capable of uniform application by all Department of Defense (DOD) coding activities. This study was completed in November 1964 and new criteria were approved by the Defense Materiel Council in April 1965. The revised criteria provided that all items in the Federal supply classes assigned to DLA, except major end items, depot reparable, design/engineering/source controlled items, and noncommercial consumable items, be managed by DLA.

h. Upon promulgation of the new criteria, the Office of the ASD(MI&L) directed their application to all items which have been previously coded for service management, as well as to all new items entering the DOD system in those Federal supply classes assigned to DLA.

i. A 30-month review program was completed in December 1967, resulting in 535,000 items being coded for management by DLA. At the close of fiscal year 1969, the DLA integrated management package totaled 1.7 million items, which was approximately 80 percent of the total items in the 225 Federal supply classifications assigned to DLA at that time. Since that time, there has been an average of 60,000 new items per year introduced into the DOD system by the military services and coded for DLA management, plus approximately 60,000 new items introduced annually as a result of initial provisioning. This is considered normal item growth under present conditions.

j. In 1971, Deputy Secretary of Defense Packard assigned 31 additional commodity-oriented Federal supply classes to DLA for management. These classes were screened to determine those items to be retained for service management. At the same time, item management duplication of consumable items was eliminated by assigning one service the responsibility of providing supply support to other users for those items in classes not assigned to DLA; and DLA the responsibility for common-used items in classes assigned to it.

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10-2. DOD objectives for integrated materiel management

a. Integrated management and standardized data systems and procedures contribute toward accomplishing many broad goals of DOD as discussed below.

b. One of these objectives is to eliminate item management duplication. There will be only one inventory control point (ICP) for any item used in DOD to the extent practical. In general, a single military service should manage each weapon system, including ammunition, major end items of equipment, depot-level reparable, and items of a developmental nature, regardless of the number of user services. Items repaired below depot level, consumables, and repair parts should be considered for transition to integrated materiel management using the approved item management coding criteria to classify the items for such management.

c. Another objective deals with the many different items being stocked or being designed into new equipment for the forces. The military services and DLA will operate their materiel management systems with the minimum number of items essential to support military operations. Unnecessary variety of kinds, types, and sizes will be eliminated through upgraded item entry control and item standardization efforts. Inactive and slow-moving items and items having marginal significance will be reviewed continually on the basis of total system and program analysis for removal from defense inventories.

d. Still another objective addresses the numbers and functions of ICPs. The military services and DLA will operate the minimum number of ICPs consistent with their assigned weapons system support functions, supply management, and technical responsibilities. The assignment of items to each ICP will provide for the maximum number of items it can manage efficiently, with due allowance for a surge capability to meet contingency/emergency conditions. ICPs will establish the necessary flexibility in their systems to be fully responsive to the requirements of weapon systems managers of the military services; conversely, weapon systems managers must place maximum reliance on the existing standard defense supply systems and item ranges, and minimize the establishment of duplicative systems and inventories. ICPs will identify and describe new items entering the supply system and will insure, in conjunction with appropriate program managers, that pertinent technical data are acquired and provided at the time of introduction of items into the supply system.

e. Standardization of integrated materiel management systems must be effected in such a way that compatibility exists between systems, and that they remain operational under emergency conditions. Transportation systems in the Continental United States (CONUS) and overseas operate aerial ports, water ports, movement control centers, and intransit control activities. They must be compatible and interface with supply systems. Effective use will be made of telecommunications systems. The military services and DOD agencies will develop an improved contingency reaction capability through systems designed for rapid and orderly expansion. Individual military service supply systems must be tailored to provide responsive support to the operating forces. Such systems must rely on integrated data banks (i.e., that of the Defense Logistics Services Center (DLSC) to the maximum extent practicable for commonly used supply management data and information. Design efforts for major supply systems will be centrally reviewed by the military departments, defense agencies, and the Office of the Secretary of Defense, as appropriate, to insure consistency of approach and to insure these have an interservice communications capability. Military service and defense agencies will develop and operate logistics management systems which will minimize reporting requirements, eliminate duplicative reporting, and progressively establish integrated management information systems.

f. Defense materiel managers will minimize the expenditure of new procurement dollars in stock replenishment and will maximize the use of existing defense inventories by expanding and using cost-effective standard interservice procedures. All DOD components will minimize retail supply levels of integrated items and place maximum reliance on direct support from the wholesale supply systems. Military services will insure that operating expenses are minimized through improving supply discipline by such actions as:

(1) eliminating the improper use of high-priority requisitions; (2) ordering minimum essential quantities of materiel; and (3) accurately and promptly recording and reporting all inventory transactions.

10-3. Management techniques of the integrated materiel management system

a. Through the integrated materiel management system, logistics management improvements are constantly being made in management techniques.

Improvements to the data records were necessary when Congress passed the Defense Cataloging and Standardization Act (Public Law 436). Improvements in the system of cataloging and/or assigning national stock numbers through a standardization process and agency enhanced the use of automatic data processing in the management process.

b. The development of the military standard systems has also enhanced the implementation of integrated materiel management through the standardization of procedures between all services.

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Section II

Defense Integrated Materiel Management of Weapon System-Oriented Consumable Items

10-4. Management concepts of the integrated materiel management system

a. A Deputy Under Secretary of Defense Memorandum dated 16 June 1971 is the basis for the management concept of integrated management of consumable items, sometimes referred to as the "one-item, one-manager" concept. This memorandum resulted in the revision of DOD Directive 4140.26, Integrated Materiel Management of Consumable Items, and development of volumes I and II of DOD Manual 4140.26-M. The intent of these volumes is to eliminate duplication of item management at the wholesale level. Volume I covers the assignment for management of each commodity-oriented item to DLA, General Services Administration (GSA), and the US Army Tank-Automotive Command (TACOM) (for items peculiar to combat vehicles or Army design). Integration of commodity-oriented items is fully covered in the General section of this chapter. Volume II provides guidance and procedures for assignment of each weapon system-oriented consumable item to a single military service for management with the assigned item manager being responsible for providing wholesale supply support to all users. It is no longer necessary for the military services to negotiate individual wholesale interservice supply support agreements when support is required for consumable items of supply. The user merely requisitions directly from the integrated manager who provides full support to all users on an equal basis without regard to service lines.

b. Integrated assignments were made for over 1,300,000 weapon system-oriented consumable items at the completion of the program. Therefore, the "one-item, one-manager" concept is currently in effect for all consumable items. In compliance with a major DOD objective mentioned earlier in this chapter, a similar program was developed which eliminated item management duplication for other than consumable items.

10-5. Wholesale inventory management concept

The joint logistics commanders directed their joint policy coordinating group for defense integrated materiel management to eliminate unnecessary duplication in the management and logistics support of multiused consumable and nonconsumable items. This action resulted in:

a. Primary inventory control activity. All repairable (nonconsumable) items used by two or more services have been identified and reviewed to determine

which service should be the materiel managers of the item. Assignment of materiel management responsibilities is weighted heavily in favor of the service having the largest technical and depot maintenance capability. There are two phases for the primary inventory control activity.

(1) Phase I. The primary inventory control activity will be identified for each national stock number and the responsibilities for single submitted cataloger, acquisition, disposal, authority, and depot-level maintenance authority, where appropriate, in support of all other military users identified as secondary inventory control activities.

(2) Phase II. Additional responsibilities which will result in a single wholesale manager for depot reparable components and a single wholesale stock for all users.

b. Commodity integrated materiel management. Consumable items that are not mission essential to a weapon system are managed by the GSA, DLA, TACOM. TACOM has three Federal Supply Classifications, 2610, 2630, and 2640, that deal with tires and tubes. Commodity integrated materiel management has the responsibilities for cataloging, requirements determination, acquisition storage, and disposal.

c. Weapons integrated materiel management. Weapons integrated materiel management includes consumable items which have a fundamental importance in their technical and/or program relationship with their parent weapon systems/equipment or higher assembly. The service ICP will normally be the managing activity for those items associated with a weapon system.

d. Service item control center (SICC). The service materiel manager which formerly performed the wholesale materiel management functions has become the SICC. The SICC has the responsibility for various types of program data for each end/program article application of the consumable that is managed by the weapons integrated materiel manager or commodity integrated materiel manager.

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Chapter 11

Military Standard Logistics Systems/Programs Management

Section I

The Military Standard Requisitioning and Issue Procedures

11-1. General

a. In addition to its supply and services responsibilities, the Defense Logistics Agency (DLA) acts for the Secretary of Defense as administrator of certain Department of Defense (DOD) systems and programs. These programs pertain to the performance of certain central services. The DLA primary responsibility as administrator is to coordinate functions performed by all elements of DOD in connection with a particular program. A discussion of these programs follows.

b. On 1 July 1962, one of the most significant steps in overall logistics management was taken by DOD. It remains significant today because it was the first successful attempt to untangle the maze of complex and incompatible communications, procedures, policies, priorities, and conflicting concepts in supply management. The procedures provided, on a DOD-wide basis, a standardized language of codes and coding techniques, and a standard set of forms for requisitioning and issue transactions, and for supply documentations.

c. Immediately following the implementation of the Military Standard Requisitioning and Issue Procedures (MILSTRIP), the Federal Supply Service of the General Services Administration (GSA) developed a compatible civilian counterpart known as the Federal Standard Requisitioning and Issue Procedures

(FEDSTRIP) which were implemented by GSA Circular, 16 July 1963. The compatibility of both procedures made it feasible for GSA and DLA to serve both civilian and military activities from their respective depot systems.

d. The concept of the single manager, while it improved supply management generally, did have certain inherent problems. Fundamental to these problems was the total lack of an effective communications system common to all participants. In day-to-day materiel transactions, the military supply manager had to do business, not only with his own service's supply sources, but also with the numerous single managers of the other military services. Many cross-servicing agreements existed between Army, Navy, Marine Corps, and Air Force supply activities, and with GSA, for nonsingle-manager commodities. When another service conducted business with the Army, individual contacts with one or more of the seven separate technical services of the Army were often required. In addition, the services "bought" rather than requisitioned from GSA.

e. The degree of communication compatibility ranged from none at all to a limited degree of acceptability. Each military service tried to keep its own supply systems as compatible as possible in the matter of forms, formats, priorities, status reports, and depot shipping and receiving processes. To accommodate any given special condition or situation within the total system, a degree of variance was exercised within certain codings and actions. In transactions with some of the single managers, individual military service punchcard requisitioning was acceptable. Having received the requisitions, the single managers performed other actions. For example, in reporting status information, the single managers would use the system of the parent service rather than that of the customer's parent service. When the materiel were shipped, the shipping documents used differed from those that might have been used had the requisitioning military service processed the entire support transaction internally. In addition to establishing a separate criterion for requisitions, each individual service system required its own unique type of data which was entered in its own unique manner. Some systems prescribed the frequency of requisitioning, while others would accept a requisition on an "as-required" basis-without regard to a cyclical requisitioning schedule.

11-2. Processing standards

a. The time standards prescribed for the processing of requisitions apply to supply operations for items designated as "stocked" in the Federal Supply Catalog/Military Service Stock List publications. The standards are based on the assumption that stock is available for issue, and thus does not reflect acquisition leadtime. Requisitions for nonstocked items obviously require additional time for procurement. The time standards are equally applicable to both interservice and intraservice requisitions, as well as those from foreign country requisitions.

b. Under this complex operational situation, supply personnel had to constantly determine-for every line item obtained or from every source of supply-whether there was a requisitioning schedule, what forms were required (and the proper number of copies), which codes and coding language must be used, and-last but certainly not least-which communications media could be used for transmission of the requests. Other situations developed to further complicate matters. Supply personnel often received supply status information that had to be decoded according to various meanings and the system in use, translated, and then recoded to conform to the practices of the particular service for posting to the due-in records. When followup actions were necessary, the various criteria, forms, communication media, etc., of the individual systems had to be applied.

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Upon eventual receipt of materiel, the requisitioner accepted and processed the diverse shipping documentation in their own way (many of which had peculiar requirements for distribution of copies). Again, the identification and deciphering of the individual codes, according to the particular supply system which had been used, had to be recoded to individual military services practices, posted to the accountable records, and processed to the permanent files.

c. A review of the supply difficulties of that time disclosed that they were not limited to any one military service. Supply personnel in the Army, Navy, Air Force, and Marine Corps were confronted with equal degrees of systems complexity. Thus, the problem of multiple requisitioning systems and transaction processing practices was universal. Logisticians concluded that the systems were extremely difficult to accommodate by nonmechanized bases (those bases employing a manual system of property accounting). Likewise, it was almost impossible to program computers and mechanical devices to accept all the various procedures. If each supply system were to be accommodated, each would require an element of specialization that it could ill afford in terms of manpower and versatility. It was obvious that a successful single-manager system must also be a universal system to provide compatible requisitioning procedures.

d. Project 60-11 was established to review the entire single-manager concept. A specific subgroup, the 60-11B Committee, was charged with designing and obtaining acceptance of a requisitioning system to accommodate all of the single managers and designating a uniform issue priority system for use by all the services. The Army and the Air Force, however, did not necessarily concur in the need for the establishment of still another system for requisitioning to accommodate the single-manager transactions only. They felt that with 16 different support systems already in use in the Military Establishment, the introduction of a special one for the single-manager system alone would only add a new system, number 17, to those in being. Further, a system to satisfy the single managers would not necessarily improve the complexities existing within the individual services.

e. The Army and Air Force, therefore, proposed that any new system designed to accommodate single managers should rightfully also accommodate interservice transactions. Also, by adding the single-manager transactions to the interservice nonsingle-manager transactions, the total would account for 50 to 70 percent of all transactions within any system. To project a bit, it would seem logical that any system so designed could and should accommodate each service's transactions, regardless of supply source. On those foundations, the 60-11B Committee conceived a standard system to accommodate all military requisitions and issues.

f. From the beginning of the new system, DLA was assigned responsibility for the overall program, and is currently charged to insure its continuous operation in a uniform manner by all of the military departments and GSA. Assistant Secretary of Defense (Manpower, Installations, and Logistics) (ASD(MI&L)) has established the Defense Logistics Standard Systems Office (DLSSO) to administer this system under the provisions of DOD Directive 4000.25. The office's specific responsibilities are to:

- (1) Perform systems analysis and systems design functions necessary to incorporate into the procedures the policy guidance provided by the ASD(MI&L).

- (2) Coordinate, publish, and distribute all revisions to the procedures manual.

- (3) Insure compatibility between MILSTRIP and referenced procedural regulations, and make recommendations to the administering component where compatibility with other related systems is deemed necessary.

- (4) Maintain surveillance over the system through review of implementing plans and procedures and joint DLA/military services onsite observations to insure compliance with DOD policies and procedures, achieve uniform implementation, and determine effectiveness.

- (5) Develop programs for refinement and improvement.

- (6) Monitor related training programs within DOD and make recommend-

ations for improvement.

g. An integral corollary to MILSTRIP was the design and acceptance of what has come to be known as the Uniform Materiel Movement and Issue Priority System (UMMIPS), which will be described in later paragraphs.

11-3. Principles and concepts

a. MILSTRIP and UMMIPS are designed to accommodate all military services and not any service individually. To attain standardization within which all elements of the Defense Establishment might function with a reasonable degree of compatibility and efficiency, numerous compromises were embodied.

b. With few exceptions, MILSTRIP-as prescribed by DOD 4140.17-M-is in-violate in nature, codes, forms, usage, etc. The philosophy and instructions, including each element of data; its format, location, use, and perpetuation, together with each form, its size, construction, color, configuration, etc., have been scrutinized, evaluated, and adjusted by representatives of

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all military services prior to acceptance.

c. Refinements, amendments, additional codes, etc., will continue to be necessary as new and changing conditions warrant. Actions are continuing within DOD to design and standardize other elements of data, concepts, and systems, some of which will have direct applicability to MILSTRIP.

d. It must be recognized by all participants that the system, as its name implies, is a requisitioning and issue procedure. It does NOT provide management, authorization, or reporting data beyond those elements essential to fulfillment of its basic intent.

11-4. Scope

a. The procedures, forms, and formats are mandatory upon all military services. They apply to all requisitioners authorized to request supply support from any supply distribution system, including requisitions to GSA. They are, therefore, equally applicable to all military service requisitioning and issue transactions, except for those specifically excluded.

b. The system is also used by defense contractors, when authorized by the terms of a contract, to requisition or move Government materiel. The Federal Acquisition Regulation (FAR) provides policies, procedures, forms, and instructions for use by contractors in the requisitioning and return of Government furnished materiel.

c. Military department implementation encompasses the total uniform system using the forms and procedures specified by the DOD Procedures Manual in both base and depot operations. Certain specifically identified codes have been assigned for intraservice use only; however, they should never appear on transactions that are communicated outside the confines of the particular service.

d. Application is not mandatory to internal transactions at posts, camps, stations, bases, or their equivalents for support of local organizations and activities satellited thereon. All military departments, however, have adopted most of the data elements and codes as well as some of the forms for use at this retail/user level. MILSTRIP also is not applicable to:

(1) Certain nonstocked commodities; e.g., bulk petroleum, coal, and coke.

(2) Forms and publications (requirements for these items from GSA and the Navy will be in MILSTRIP format).

(3) Interdepartmental and intradepartmental purchasing operations.

(4) Communications security equipment, components, or parts, which are designed and classified "crypto" or which normally are handled through

crypto channels.

Section II

The Uniform Materiel Movement and Issue Priority System

11-5. General information

a. In the requisitioning, movement, and issue of materiel, it is necessary that competing demands be identified according to relative importance. This insures the most effective management of logistics system resources, including communications, supply source processing, materiel selection and packaging, transportation, etc. DOD Directive 4410.6 established UMMIPS for use in the requisitioning and issue of materiel from DOD and GSA distribution systems and in the movement of materiel in the Defense Transportation System (DTS). This system is used in peacetime and wartime and:

(1) Sets forth maximum uniform requisition processing and materiel movement time standards.

(2) Provides a basis for managing the movement of materiel throughout the distribution systems.

(3) Insures the processing of materiel issue requirements in accordance with the mission of the requiring activity, the urgency of need, and specific materiel management considerations.

b. Priority designator numbers are derived from a matrix based upon the assigned Force/Activity Designator (FAD) and the Urgency of Need Designator (UND). The FAD is related to the mission essentiality of a defense force, activity, or project. The UND is assigned by the requisitioner and reflects the immediate importance of the equipment or the situation requiring submission of the request. Performance time frames are promulgated for the various priority designators; however, the times are dependent upon and assume the physical availability of the necessary resources in the defense supply systems at the time a request is submitted and processed.

11-6. Force/Activity Designators

a. The term FAD may be applied to a:

(1) Unit, organization, or installation performing a function or mission.

(2) Body of troops, ships, or aerospace vehicles, or a combination thereof.

(3) Function, mission, project, or program, in-

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cluding those under the Security Assistance Program.

b. FADs, identified by the Roman numerals I, II, III, IV, and V are assigned by the Secretary of Defense, the Joint Chiefs of Staff (JCS), or by each DOD component as authorized. The JCS may delegate to their components and other agencies the authority to assign FADs II through V to their respective US forces units.

11-7. Urgency of Need Designators

Urgency of Need Designators (UNDs), identified by the letters A, B, and C, are used to express varying degrees of urgency when operational mission capability is jeopardized due to materiel nonavailability. The UNDs must be related to the appropriate FAD in order to determine the issue priority for entry into requisition and issue documents. Selecting the designator which will most accurately express the urgency of each supply requirement is an important duty performed by the requesting activity. Care must be exercised

in selecting the designator applicable to materiel deficiencies because, at all supply levels, those demands which have the most serious impact on mission capability receive priority processing and handling throughout the entire supply cycle. Since the UMMIPS is designed for the selective use of priorities based upon predetermined basic factors, the automatic assignment of a given issue priority is not condoned.

11-8. Issue priorities

a. The UMMIPS provides a ready basis for expressing the relative importance of requisitions and materiel movement transactions through the use of two-digit numeric codes, ranging from "01" through "15," and referred to as issue priorities. The entry prescribed for requisitions and related documentation is based upon a combination of factors which signify the mission of the requisitioner or the intended recipient (FAD), and the urgency of need (UND).

b. Neither the FAD nor the UND actually appears on documents of the MILSTRIP. The FAD, assigned to the unit or activity, and the UND, determined by the activity and base, post, camp, or station supply, are used to determine the issue priority, the two-digit numerical code which does appear on documents. The proper determination is of paramount importance since misuse tends to degrade the entire priority system. This importance is brought into sharp focus in the assignment of these designators. Decision Logic table 11-1 illustrates the relationship of the FAD, the UND, and the issue priority, which controls standard delivery date. This date for each group varies between 7 and 84 days, depending upon the requesting unit's location and/or other variables.

c. Commanding officers of requisitioning activities

Table 11-1. Decision Logic Table for MILSTRIP Requisitions

DERIVATION OF PRIORITY DESIGNATORS (Relating Force/Activity Designators to Urgency of Need)			
FORCE ACTIVITY DESIGNATOR	URGENCY OF NEED DESIGNATOR		
	A	B	C
I	01	04	11
II	02	05	12
III	03	06	13
IV	07	09	14
V	08	10	15

are responsible for the accurate assignment of issue priority consistent with FADs assigned by higher authority and with the existing urgency of need. When requisitions are based upon UND A, the commanders will personally review all requirements to certify an inability to perform the mission. Commanders will designate in writing specific personnel who will personally review all requirements based on UND B to certify the reality of the urgency.

d. Commanders of bases, posts, camps, stations, or comparable operating activities develop and publish local directives which indicate the FAD assigned to each organization, project, contractor, or other tenant units authorized support through the base, post, camp, and station supply organizations. These local directives include instructions and guidance to insure

that using activities relate materiel needs to urgency of need criteria established by DOD. The necessity to provide supply management personnel with realistic quantitative data and reasonable required delivery dates is also emphasized.

e. Commanders or senior officials at the using activities are required to establish management controls over priority utilization, to insure efficient planning and forecasting of requirements; to properly apply FADs and UNDs; to requisition only that quantity of materiel actually required; and to establish realistic required delivery dates.

f. The prescribed processing time standards constitute maximum allowable time limitations. By Defense Department definition, all wholesale-level stocks located at all storage sites are considered to be available. Passing actions (a general term used to identify supply transactions forwarded from one supply source to another for supply action) generated by inventory control

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point (ICP) materiel managers to satisfy original requests are processed with dispatch, in order to reduce the required overall processing time to the absolute minimum.

Section III

The Military Standard Transaction Reporting and Accounting Procedures

11-9. General

a. The Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP) provide policies, procedures, and instructions for recording inventory management data passed among elements of a single military service, the DLA distribution system, or between various distribution systems of DOD. They extend the idea of uniform communicating procedures, and are applied to those elements of data or information that an ICP must send to, or receive from, a stock control activity, or a storage location in the exercise of supply and financial management. These procedures uniformly classify inventory records as to ownership, purpose, and condition. They classify transactions affecting the inventory as to type of receipt, issue, and adjustments and provide the basis for financial accounting of wholesale distribution system assets.

b. Throughout DOD, inventory control systems must be able to provide information needed for supply and financial management accounting. However, the system cannot be encumbered with data elements peculiar to different types of materiel. A standard system so designed not only imparts uniformity, but provides ICPs with the latitude needed for developing internal procedures appropriate to the kinds of inventory managed.

11-10. Procedure

a. MILSTRAP affords flexibility in obtaining management information at the ICP level. Information conveyed by transactions, supplemented by a data base and the data already available from requisitioning and issue documents may be programed in an infinite variety of combinations for management reports and studies. Some conspicuous features of these procedures are:

(1) An effective coding structure which conveys the required information, but with fewer data groupings than previously used. The amount of detail available for inventory management purposes is actually increased.

(2) Standardized data elements, related codes, documents, and card formats which establish uniformity in the interchange of inventory accounting information within and among the military services and DLA. Thus, the

ability to provide supply services across departmental lines is enhanced.

(3) A system of item accounting which is integrated with financial accounting. Updating the inventory control record automatically accumulates related financial data. Hence, financial data may represent the aggregation of quantitative data previously compiled for supply management purposes.

(4) A flexible transaction reporting capability which accommodates any combination or variation of centralized, decentralized, or regional processing of requisitions.

b. In design, MILSTRIP recognizes that applied supply policy may prevent the use of a prescribed code or may demand service-oriented codes. Accordingly, the procedure allows selectivity in the application of codes and permits intraservice or intra-agency assignment and usage of certain supplemental codes within the confines of an activity. However, the codes established under this option cannot duplicate or circumvent the intent of the standard codes, nor can the use of the intra-activity codes exceed the confines of the separate distribution system.

c. The uniform codes, forms, formats, and procedures facilitate the transmission of item data and financial data among the inventory management, stock control, and storage elements of the military services or DLA. The standardized data elements that are interchanged among the military services and DLA have universal application for intrasupply system transactions.

d. The more important codes (ownership, purpose, condition, management) and the basic documents (receipt, issue, adjustment, physical inventory) are:

(1) MILSTRAP code sets.

(a) Ownership codes. These codes are one-position, numeric characters which provide a means of segmenting inventory balances accounted for on inventory control records of a military service/DLA but which are owned by others.

(b) Purpose codes. These codes are one-position, alphabetic characters which provide the owner of materiel with a means of identifying the purpose for which an inventory balance is reserved. They are only for intra-service use.

(c) Condition codes. These codes are one-position alphabetic characters used to classify materiel to identify the degree of serviceability, condition, and completeness in terms of readiness for issue and use or to identify actions underway to change the status of materiel.

(d) Management codes. These codes are one-position, alphabetic or numeric characters which are used to provide supplemental data not indicated through the transaction coding structure. When a situation exists which is not covered by an assigned man-

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agement code, management data are entered in narrative in the remarks block of the applicable document.

(2) Basic documents.

(a) DOD Single Line Item Requisition System Document (Mechanical) (DD Form 1348M). This form is used for reporting decentralized issue transactions to the ICP.

(b) DOD Physical Inventory Document (DD Form 1485). This document is designed to accommodate elements of data required for physical inventory processing by ICPs, stock control activities, and storage points. It provides a standard method for requesting, recording, and reporting results of inventories. In addition, this document is designed for mailing or transmission by transceiver or other high-speed method. It is adaptable for use with automatic data processing (ADP) systems and electrical accounting machines and has been overprinted to provide for manual usage.

(c) DOD Materiel Receipt Document (DD Form 1486). This document is designed primarily for transmission by transceiver and other high-speed

methods, with single-line interpretation; however, a third-line interpretation capability has been included to provide flexibility. Design of the document accommodates two different formats, one to be used when a materiel issue and receipt document is the source document and one to be used when a procurement instrument is the source document.

(d) DOD Materiel Adjustment Document (DD Form 1487). This document is designed to accommodate elements of data required for supply management and inventory control by inventory managers, accountable supply distribution activities, and storage points. It provides a standard method for processing adjustments. It is designed for mailing or transmission by transceiver or other high-speed method.

e. The range of codes and procedures is designed to accommodate the variations in logistics organizations within and among the military services and DLA, and to cope with the variety of data processing equipment in use. Consideration is also given to differences in organizational and operational structuring, such as centralized inventory control and stock control with decentralized storage; a centralized inventory control with decentralized stock control and storage; automated procedures (ADP capability); mechanized procedures (electrical accounting machine capability); or manual procedures.

f. MILSTRAP is optional for supply transactions at base or organization level (below the ICP stock control activities) and for financial transactions generated independently from inventory control record maintenance. Other exclusions (similar to those of MILSTRIP) apply to perishable subsistence items and brand name resale subsistence items; bulk petroleum and packaged fuel products; forms and publications; industrial plant equipment; communications/ security and signal intelligence equipment; communications security aids (keying material); and those spare parts which are normally obtained through cryptochannels; aircraft and missile propulsion units; and nuclear ordnance items designated by the Defense Nuclear Agency for item serial number control.

g. ASD(MI&L) has established the DLSSO to administer this system under the provisions of DOD Directive 4000.25. This office is charged with insuring implementation and uniformity of operation by all activities associated with the procedures. Specifically, DLA is obligated to insure adherence to systems, principles, rules, coding structures, forms and formats; to effect systems changes and improvements as environmental and operational situations warrant; and to review requests for waivers or deviations, making appropriate recommendations to the Office of the ASD(MI&L).

Section IV

The Military Standard Transportation and Movement Procedures

11-11. General

a. Careful planning is essential in controlling movement of materiel. For example, transportation requirements must be determined, the capacity of all means of transport analyzed, priorities established, and a movement program prepared.

b. These procedures use the products of MILSTRIP and other systems to create and exchange standard shipping data in order to control materiel movements in the DTS and to record and report their status. System administrator responsibility was assigned in 1972 to the Secretary of the Army, Headquarters, Military Traffic Management Command (MTMC). On 1 April 1977, the responsibility for this was transferred to DLA. ASD(MI&L) has established DLSSO to administer this system under the provisions of DOD Directive 4000.25.

c. To implement the functions and services of transportation in the DTS, a group of activities (including the Military Airlift Command (MAC), the Military Sealift Command (MSC), the MTMC (all are transportation operating agencies (TOA)); shipper services; HQ, DLA and GSA; oversee commands; and local authorities) are all engaged in some form or degree of transportation actions. The various organizations are responsible for bringing materiel from the source to the user.

d. Prior to 1963, none of these components of the loosely structured DTS used any uniform methods, pro-

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cedures, or documentation. Procedures and documentation that were used by each of the separate elements generally were designed to implement transportation response only within a limited fraction of the overall logistics system for which that organization had an interest or jurisdiction. Analysis indicated that there were at least 90 separate transportation documents in use, each of which was designed at the separate organizational levels to meet the specific needs of that level. This wide range of documentation and differences in procedures resulted in inefficient movement of materiel through the distribution pipeline.

(1) Concurrent planning by warehousing, packaging, and transportation activities is a prerequisite for responsive and economical support. Such concurrent, coordinated actions assume significant importance in the total military logistics system. Early US military logistics systems never developed a set of standard procedures to implement general shipment planning. Recognition of this unsatisfactory condition was emphasized when military planners sought to improve transportation management through the potential of ADP. The inherent differences among the various aspects of the transportation system effectively blocked, or at least, severely slowed down the application of ADP to the problems of transportation management. The fundamental difficulty was the lack of a uniform communication system and the designation of a priority system that could be applied individually or as a composite total.

(2) In the continued search for a modern viable plan, transportation managers decided that any system adopted must furnish current and comprehensive information with which to measure responsiveness. Acquisition of this information was not generally pursued by the military element, and a reliable and meaningful measuring system was not, at that time, in existence.

(3) The implementation of MILSTRIP magnified the problem of ineffective communication. These procedures, as implemented through management decisions, caused a marked increase in the number of small shipments. The transportation documentation increased proportionately. Furthermore, materiel movements of the small shipments were being accomplished by less economical means.

(4) Unbearable workloads were created by the increased number of shipments computed by extensive and elaborate clearance procedures in use at terminals and transshipment points.

e. To solve the problems of transportation management, the Joint Military Working Groups, under the leadership of ASD(MI&L), performed an extensive study of the procedures used by all elements of DTS. The outcome of the study was a joint Military Standard Transportation and Movement Procedures (MILSTAMP) Regulation on 1 October 1963. As a result of a complete worldwide evaluation, the procedures were republished in 1967 as a DOD Regulation (4500.32R) which provides guidance directly to operating levels without the need of service implementing directives.

f. MILSTAMP applies in whole or in part to shipments of materiel and personal property (including code 5, J, and T shipments) moving in support of military forces and shipments of nondefense agencies sponsored by military services. MILSTAMP also applies to foreign military sales (FMS) and Military Assistance Program (MAP) grant aid shipments moving through military terminal facilities and/or on MAC/MSC arranged transportation resources either for the account of the US Government or foreign country.

g. MILSTAMP provides policies and procedures required to manage and control the movement of materiel through DTS. MILSTAMP:

(1) Complements the policies and movement criteria of UMMIPS.

(2) Establishes responsibilities of shipping, clearance, terminal, and receiving activities.

(3) Establishes standard documentation procedures, data elements, and codes.

(4) Provides advance information to optimize utilization of transportation resources.

(5) Provides intransit data to evaluate transit time standards.

(6) Interfaces with other systems and procedures.

h. Exclusions applicable to MILSTAMP are:

(1) Materiel shipped in support of Government contractors on a commercial bill of lading (CBL) from, to, or between contractor plants.

(2) First destination shipments from contractor plants to service/agency customers or for depot stock or storage, resulting from MILSTRIP requisitions (Continental United States (CONUS) and FMS direct delivery), when the complete movement is by commercial transportation and does not enter DTS.

(3) Shipments of personal property originating and terminating within CONUS (including house trailers) where complete movement is by commercial carrier under a Government bill of lading (GBL), through Government bill of lading (TGBL) shipments not entering DTS, and shipments of accompanied baggage.

(4) Bulk petroleum products.

(5) Special assignment airlift missions (SAAM).

(6) Unit movements, except when movement is by way of MAC channel airlift, when sealift is obtained from the MSC, or when cargo transits common user ocean terminals.

(7) Marine Corps tactical unit movements by exclusive-use surface transportation under special arrangements between the MTMC and the Marine Corps.

(8) Annual resupply projects not entering DTS.

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(9) Passenger movements.

11-12. Basic documents

The basic documents prescribed by MILSTAMP constitute a family of documents required for movement of cargo into and through DTS. Following is a brief description of each form.

a. DD Form 1384, Transportation Control and Movement Document. A multi-purpose document which is used as a basic movement and control document, terminal handling document (e.g., dock receipt), cargo manifest, or tracing document. This form may also be used as a document for cargo accountability or for proof of delivery, and in support of contractor billings for services rendered.

b. DD Form 1385, Cargo Manifest. A multipurpose manual or mechanized form for use in listing air or surface manifest data.

c. DD Form 1386, Ocean Cargo Manifest Recapitulation or Summary. When prepared as a summary, it is the official document used by the MSC to render billings for the ocean movement segment of the DTS. When prepared as a recapitulation, it contains the vessel master's receipt for cargo and serves as a source of operational information.

d. DD Form 1387, Military Shipment Label. The shipping address label to be used for transportation marking in accordance with Military Standard 129.

e. DD Form 1387-1, Military Shipping Tag. The shipping address tag to be used for transportation marking in accordance with Military Standard 129.

f. DD Form 1387-2, Special Handling Data/Certification. A document prepared by the shipper for all shipments to be routed by way of military air transportation or commercial air augmentation which require special handling and/or certification.

g. DD Form 1384-1, Intransit Data Card. A multipurpose document which may be used to record and report intransit data.

11-13. Major elements

MILSTAMP is primarily concerned with three major areas within its system.

a. The planning and coordination of military movements is required by the shipment and transshipment activities. This prevents saturation of the transportation capacity, relieves congestion at transshipment activities, and makes it possible to schedule materiel and documentation within the time frames of UMMIPS. Shipment activities are required, wherever feasible, to consolidate shipments of the same issue group moving to one ultimate addressee or consignee. Under MILSTAMP, each shipping activity establishes a shipment planning unit to perform concurrent planning, warehousing, and transportation actions. Ultimately, the objective is to establish a standard ADP system to be used by all transportation planning and processing.

b. Movement control is exercised over all shipments entering into, and moving through, the DTS. Air and surface clearance authorities use advance transportation control and movement documents to provide advance notice of shipments, preplan for receipt of cargo, and provide input for mechanically prepared cargo manifests. These are also used to challenge shipments, divert, reconsign, and/or cancel shipments, as required.

c. The performance measurement system is as described in the Military Supply and Transportation Evaluation Procedures (MILSTEP). Such information is made available to all military transportation agencies and activities that use the data for analysis and corrective actions if necessary.

Section V

The Military Supply and Transportation Evaluation Procedures

11-14. General

MILSTEP provides a standard method for measuring supply system performance and transportation effectiveness through DOD. This data system was designed and developed by a joint service/agency task group and its products are for use at the ICP level, the headquarters level of the military services, and the Office of the Secretary of Defense. ASD (MI&L) has established the DLSSO to administer this system under the provisions of DOD Directive 4000.25. Details of the system are contained in DOD Manual 4000.23-M and by reference to accommodating provisions incorporated in MILSTRIP and MILSTAMP. This system uses the issue and shipping documents of MILSTRIP and MILSTAMP to measure supply and transportation performance in terms of ontime shipments, ontime deliveries, stock availability, volume, age of back orders, and other key measurement indexes.

11-15. Objectives

The objectives of MILSTEP include the:

- a. Measurement of supply and transportation performance against the time standards of UMMIPS.
- b. Validation and maintenance of the time standards of the UMMIPS.
- c. Analysis of the actual application of issue priorities and issue priority groups.
- d. Evaluation of each segment of the transportation pipeline by point-to-point carrier performance.
- e. Determination of supply systems workload and materiel availability.

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11-16. Specifications

a. The following system specifications for MILSTEP have been established by the DASD (MI&L):

- (1) One-hundred percent reporting of completed actions through the intransit segment of the pipeline.
- (2) Determination between stocked and nonstocked item transactions.
- (3) Performance analysis classified by time segments, priority groups, distribution systems, and requisitioning activities.
- (4) Providing a uniform basis for analysis by all levels of management.
- (5) Maximum practical use of ADP equipment.

b. The seven major cycle segments to be measured in terms of elapsed time between the initiation of a requisition and the receipt of the materiel include:

- (1) Requisition submission time which is that time from the date of the requisition to the date the requisition is received by the initial wholesale source.
- (2) Passing action which is that time from the date the requisition is received by the initial wholesale source to the date the requisition is received by the ultimate wholesale supply source.
- (3) ICP availability time which is that time from the date the requisition is received by the ultimate wholesale supply source to the date a materiel release order is transmitted to the depot storage site.
- (4) Depot/storage site processing time which is that time from the date of transmission of the materiel release order to the date the materiel are made available to the transportation officer.
- (5) Transportation consolidation and CONUS intransit time which is that time from the date the materiel are made available to the transportation officer to the date the materiel are received by CONUS requisitioning installation or port of embarkation in the case of oversea shipments.
- (6) Oversea shipment time which is that time from the date the materiel are received by the port of embarkation to the date the shipment is delivered to the oversee consignee.
- (7) Receipt takeup time by the requisitioner which is that time from date of receipt of the materiel at destination until the date that the materiel are recorded on the requisitioner's inventory records. This final segment of the materiel pipeline is currently not being measured by all DOD elements.

c. The transportation document for capturing MILSTEP data is the intransit data card. The validity of MILSTEP output data requires the timely and accurate submission by transshipment activities and consignee of intransit data cards. Assurance that these cards will be returned is enhanced when the work effort on the part of the consignee is kept at a minimum. The consignees are required to keypunch rubber stamp, or otherwise mark, the date received on the intransit data card and forward to the DOD Central Data Collection Point, Defense Depot Tracy, CA, which collects, processes, and distributes intransit data for all military services and DOD agencies in the system. All activities receiving and processing intransit data cards are required to use automatic digital network (AUTODIN) facilities, when available, for transmitting intransit data cards to the central data collection point. Otherwise, mail is permitted under strict procedures to insure intransit data cards are not damaged intransit.

d. Each military service and DLA maintain a central processing point for the preparation of reports. The central processing point matches the intransit data records received from the central data collection point with the supply and shipment records received from the ICPs to prepare reports.

11-17. Reports

Some of the more significant reports prepared under MILSTEP include:

- a. The Pipeline Performance Analysis Report (Format 1A) is intended to

compare performance against the time standards for requisition submission and supply source processing. The report reflects the number of line items processed for shipment for each segment of the requisition submission and supply source processing cycle as these lines relate to the three issue priority groups and the elapsed time to process.

b. The Pipeline Performance Analysis Report (Format 1B) is intended to measure the transportation time and total order shipping time against the uniform time standards. The report reflects the number of line items delivered for each segment of the total logistics cycle as these lines relate to the priority groups and the elapsed time needed to process and deliver.

c. The Supply Availability and Workload Analysis Report (Format 2) is intended to measure the supply "fill rate" and provide various workload statistics. Workloads for stocked and nonstocked items are reported separately. Some reported elements include:

(1) The numbers of delayed supply actions in terms of priority and age groupings.

(2) The number of supply demands received and percent of stock availability.

(3) Selected workload indexes, such as followup documents received, cancellations, demands rejected for corrections and reprocessed, etc.

d. The Response Rate Analysis Report (Format 3) reflects the responsiveness and the timeliness of consignees in returning the intransit data cards after shipments have been delivered. The purpose of the report is to permit follow-up on nonresponding activities and to analyze the reliability of performance.

e. The Intransit Time Analysis Report (Format 4) is

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intended to provide transportation officers with point-to-point carrier performance and a basis for future mode and carrier selections.

Section VI

Military Standard Contract Administration Procedures

11-18. General

a. These procedures standardize the flow of purchase information among purchasing offices, contract administration offices, and inventory managers.

b. During the early 1960s, the Secretary of Defense "Project 60 Study" substantiated the findings of a universal lack of reliable, timely, and accurate contract administration data, or automation of such data. Subsequently, the "Report on the Application of Automatic Data Processing Systems to Defense Contract Administration" dated August 1964 established the feasibility of standardizing and mechanizing the flow of contract administration information. The outgrowth of that report, Military Standard Contract Administration Procedures (MILSCAP), is known as an "external" system since it prescribes the external flow of contract administration data. The input/output requirements must be interchanged between contract administration points, purchasing offices, consignees, funding activities, and to some extent, contractors. Development of internal procedures is a responsibility of the above activities and is not prescribed by MILSCAP.

c. ASD (MI&L) has established the DLSSO to administer this system under the provisions of DOD Directive 4000.25. Certain policy provisions published in the FAR and standard data elements published in the Data Standards Manual facilitate MILSCAP.

d. The basic manual (DOD 4105.63-M) was first published on 1 December 1966. It was designed and developed by a task group under the chairmanship of the DOD Systems Administrator. This task group was composed of personnel from the military departments/agencies and the Offices of the ASD (MI&L) and ASD

(Comptroller). The manual was revised several times, and subsequently republished in December 1977. DLSSO is responsible for the development, publication, and maintenance of the MILSCAP manual.

11-19. Procedure

a. It is a primary objective of these procedures that, simultaneously with the preparation of the contractual document, key elements of data will be captured on magnetic tape, punched paper tape, or punched cards and displayed in a data representation of the contract known as the "abstract." The FAR Committee has standardized the contract forms as well as many of the data elements to be used on these forms. These standardization efforts are continuing and greatly enhance both mechanical and manual processing of contractual data. The fixed location of data on the contract forms and the use of standard coding and procedures are prerequisites to the success of the abstracting operation of MILSCAP.

b. The following records comprise the contract abstract:

(1) Administrative Data Records (two per contract). Contain procurement instrument identification number, various address codes, dates, discount terms, total amount of contract, and alerts for various contract provisions.

(2) Accounting Classification Record. Two records for each different accounting classification in the contract.

(3) Supplies Line Item Data Record (two for each supply line item). Contains line item number, stock number, quantity, unit price, item account, noun, part number, etc.

(4) Supplies Schedule Data Record (one per each ship to/each date). Contains ship to, mark for, schedule date, quantity scheduled, MILSTRIP data, and accounting classification reference.

(5) Service Line Item Record (one per line item). Contains line item number, description of service, accounting classification reference, completion date, and line item amount.

(6) Controlled Item Serial Number Record (one per each serial number). Contains the line item number, ship to, mark for, schedule date, and the serial number.

c. The machine processable abstract may be used at the Purchasing Office, ICP, and field contract administration office for many purposes. Some of them are: history of buy, due-in assets status, commitment and obligation records, MAP control, supply status, statistics and analysis, contract control and recordkeeping, production status, disbursement status, administrative actions, administrative statistics, and workload planning.

d. Follow-on to the abstracting operation involves communications pertaining to the contract, which are interchanged between the purchasing office and the contract administration office to: (1) obtain missing data, (2) correct erroneous data, (3) request various supplementary actions on contracts, or (4) modify or amend existing contract data. The follow-on actions are accomplished through the records of MILSCAP.

e. A key document used in the delivery phase of contract administration is the Materiel Inspection and Receiving Report (DD Form 250). The FAIR includes a published standard form to be used for all shipments. This eliminated over 200 nonstandard varieties of this report. Further, it eliminated nonessential information

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already available on companion documents, prohibited the use of modifications to the form and, upon implementation of MILSCAP, reduced the number of copies distributed for each shipment. The only significant change in utilization is the encouragement of contractor usage of the form as an invoice and intra-company work document. Upon receipt of a report which indicates inspection

or acceptance at destination, the contract administration office generates an Inspection/Acceptance Alert Record and transmits it to the consignee. A punched or handscripted Inspection/Acceptance Report, which indicates acceptance or rejection, is returned to the contract administration office for contractor payment purposes. A Shipment/Performance Notice is forwarded by the contract administration office to either the purchasing office or the item/project manager, in response to all Materiel Inspection and Receiving Reports.

f. In the event the contract administration office anticipates or knows of a slippage or deviation from the contract delivery schedule, a revised Delivery Forecast Record will be electrically transmitted from the contract administration office to the purchasing officer or the item/project manager. The revised delivery forecast provides the information required for the preparation of supply status, which is furnished to requisitioners under MIL-STRIP. If the latest status of a contract line item is not available in the records of the purchasing office, the contract administration office may be queried for these data.

g. The contract administration office can effect payment to the contractor by Treasury check as soon as a contractor's invoice and the necessary inspection/acceptance documents are received and validated. The purchasing office or the financial managers are advised of the expenditures made against funds originally cited on the contractual instrument. A set of records known as the Contract Payment Notice conveys the necessary information. Three or more of the following records are forwarded based on the circumstances of the payment.

(1) Accounting classification header. Cites the fund (accounting classification) against which payment is made. This record is included in every payment notice.

(2) Expenditure record. Cites the gross amount of the invoice and net amount of payment. This record is included in every payment notice.

(3) Deduction record. Cites the amounts, if any, of such deductions as discounts, recoupments of advance payments, etc.

(4) Variance record. Indicates differences, if any, between gross amounts paid and amounts obligated, amounts due to quantity overrun/underrun, etc.

(5) Line item report. Indicates contractor shipment number and the gross amount of payment for each contract line item.

(6) Final payment record. Prepares a summary, at time of last payment against an accounting classification, of the amounts obligated, expended, and unliquidated.

h. The final phase involves contract completion or completion status. While all deliveries and payments have been made for a contract, it may still remain open for various reasons, such as litigation, accounting for Government furnished property, etc. A Contract Completion Status Record advising of the above circumstances is provided to the purchasing office by the contract administration office. At the time the contract is closed, a Contract Completion Notice will be furnished to the purchasing office. If the purchasing officer has knowledge of an action which requires the contract to remain open, he will forward a Contract Completion Extension to the contract administration office.

11-20. Summary

a. MILSCAP prescribes data elements, formats, time standards and flow of contract administration information through the phases of:

(1) Preparing the contract (hard copy) and abstracting key data therefrom in machine processable form.

(2) Shipping materiel using the standardized Materiel Inspection and Receiving Report (DD Form 250).

(3) Alerting a consignee when inspection/acceptance at destination is required and providing a means for the consignee to signify such acceptance or inspection; e.g., a punched card receiving report.

(4) Notifying the purchasing office of the expenditures made against

contact-cited funds.

(5) Providing updating information to affected activities:

- (a) Furnishing shipping instructions.
- (b) Requesting missing data.
- (c) Advising of delays through the revised delivery forecast.
- (d) Notifying the purchasing office of the closing condition of the contract.

b. MILSCAP provides uniform procedures, mechanized transaction records, standard forms, rapid communications, and standard data elements.

Section VII

Standard Cataloging Programs

11-21. Introduction

a. A principal aspect of supply management is cataloging, an operation that provides positive identification for each and every item of supply. Cataloging provides a common language that is used in identifying,

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requisitioning, purchasing, storing, and shipping all items in the DOD supply management system. Adoption of standard item names and descriptions and a uniform numbering system by all DOD components and civil agencies facilitates supply actions and serves as the foundation of other supply management programs directed at controlling influx of new items in the various supply systems. A uniform catalog system is the keystone to automation of supply systems permitting direct computer-to-computer actions without human intervention.

b. Supply management programs that are built on the foundation of a standard catalog system include: elimination of duplication; avoiding entry of duplicate items into the systems; adoption of standard items of supply; preparation of allowance lists; publication of parts lists and cross-reference listings; identification of interchangeable or substitute items; purging of inactive items from the supply systems; supply support of all services by a single agency or service; and reutilization, redistribution, or sale of excess stocks. Headquarters and field units use national stock numbers (NSN) for accounting, property reporting, and other purposes.

11-22. The Federal supply catalog

a. In World War II, each military department had its own method of describing and numbering items, and frequently two or more activities of the same military service stocked the same item under different identifications. During that period, technological advances introduced many new items into the various supply systems and the problems of duplication became acute. After World War II, prominent members of the Government, to include members of the Hoover Commission, pointed out the benefits to be gained from a uniform supply catalog system. Congressional committees also showed keen interest in the matter. In recognition of the problem, a catalog agency was established by the Munitions Board.

b. Certain members of Congress voiced dissatisfaction with the lack of progress that had been made in the field of cataloging. They further criticized the standardization program for its failure to eliminate duplicate specifications for common items.¹ Congressional hearings on cataloging, standardization, and waste in military buying led to the enactment in 1952 of Public Law (PL) 436 (included in a 1956 revision of chapter 145, title 10, United States Code) which directed DOD to establish a single catalog system. Congress sub-

sequently

1 United States Congress, House Committee on Armed Services. Waste in Defense Procurement Including Testimony on H.R. 7405, Hearings Before the Special Subcommittee on Procurement, 82d Congress, pp. 3141-3711; and Supplemental Report on Hearings on H.R. 7405, 82d Congress, p. 1 (Washington: US Government Printing Office, 1952)

established the Defense Supply Management Agency in July 1952. Within a few months, the Defense Supply Management Agency finished work on a complete subsistence catalog listing 1,131 items of food which the military department could purchase, stock, and issue. This was a reduction of 42 percent in the number of food items originally cataloged by the three departments.

c. The Defense Supply Management Agency was abolished in 1953 and its functions were transferred to the Secretary of Defense. Cataloging has since been under the supervision of the ASD(MI&L).

d. The Federal Catalog System, which is based upon the 1952 legislation, provides the Government with one of its most significant tools for improving supply management. Up to that point, there was no common language of supply. Within DOD, 21 different numbering systems and 8 different supply classification systems precluded any useful communication between the military departments. The Federal Catalog System provides a common identification language, eliminates different identification of like items, reveals interchangeability among items, aids in standardization, facilitates interdepartmental and intradepartmental support, assists industrial mobilization planning, and strengthens Government-industry relationships.

e. The Federal Catalog System applies to all items which are repetitively procured, stocked controlled, and subjected to central inventory management, reporting, distribution, or redistribution by any of the armed services. Excluded are items procured on a onetime basis for immediate use in research and development; items furnished by contractors under service contracts for consumption during overhaul and repair; certain forms, charts, manuals, and books; major end items for which management and control are exercised through oversea procurement and intended solely for oversea use; items procured only with nonappropriated funds; and subsistence items procured solely for resale.² In addition, if an end item or assembly has 1, separate parts of which only 300 are repair parts for supply support, only those 300 items will be identified under the Federal Catalog System. The other components/parts are identified with the end item or system.

f. Each item included in the catalog is identified by an NSN consisting of a four-digit Federal supply classification and a nine-digit national item identification number. The descriptions of stock numbered items consist of the minimum data necessary to establish the essential and unique characteristics of each item, which not only make it what it is, but differentiate it from every other item of supply used by the Federal Gov-

2 DOD Directive 4130.2-M dated 31 March 1975, Federal Catalog System Policy Manual

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ernment. DOD directs that each item of supply shall have applicable to it one, and only one, NSN.

g. The ASD(MI&L) is responsible for the overall administration of the system and for final approval of cataloging plans, policies, and programs, including policies and programs to obtain maximum use of the catalog system in logistics management. The Director of DLA administers the operations. The Secretaries of the military departments advise and assist on all elements of the system to insure its practical value, and participate in the develop-

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ment, establishment, and maintenance of the system.

11-23. The role of GSA

GSA is a partner with DOD in the administration of the Federal Catalog System. The Administrator of GSA has delegated authority for the central maintenance of the system to the Secretary of Defense. This mission is fulfilled by the Defense Logistics Services Center (DLSC). GSA has the responsibility, however, for the cataloging of all civil agency items. Special arrangements have been made with the Federal Aviation Administration and the US Coast Guard whereby they describe their items and forward them to the DLSC for stock numbering. Although these items are processed directly to DLSC, GSA receives immediate notification of all actions taken.

11-24. Defense standardization program

a. This program is administered by DLA. Its goal is to minimize the number of different items needed in the supply system, thereby achieving the optimum degree of interchangeability in repair parts and components. The program fosters development of uniform engineering practices, common specifications, and military standards, to be used both in design and in procurement. Standardized terminology and codes facilitate program applications, which are coordinated with the military services. Each defense supply center decides on and schedules those standardization projects to be accomplished and monitors the resulting progress.

b. To promote even more standardization, DOD established the Defense Materiel Specifications and Standards Board in 1973. The board's responsibilities include authority to establish commodity-oriented study panels, recommend improvements in the standardization organization, develop changes to the Defense Standardization Manual, establish rules of procedure for the Standards Board, and, recommend resolution of problems which may arise.

c. The ASD(MI&L) is charged with the administration of the program. The military departments and DLA are assigned responsibility for those portions that are consistent with their capacity, supply interest, and mission. The responsible activity develops a program analysis which outlines detailed plans and schedules for achieving and maintaining standardization in assigned areas.

d. Initial efforts are directed toward item reduction; i.e., the elimination of unneeded items which are currently in the supply system. The next step is to further eliminate items by analyzing the varieties, types, kinds, and sizes. Such analysis is based on engineering criteria, needs, uses, military characteristics, and other fundamental factors. Consideration of industrial practices or coordination with the appropriate segments of industry are sometimes necessary.

e. The responsible standardization assignee, in coordination with the other departments, determines the feasibility and priorities for standardization of items. This determination is based on increased military effectiveness, improved computation of requirements, and improved logistics support and other benefits. Dollar savings accrue through improved interdepartmental servicing of interchangeable equipment; reduced distribution and maintenance costs; conservation of critical materials; increased availability during mobilization; and simplification of procurement. These advantages are realized by consolidating purchase requirements, increasing sources of supply to achieve an adequate production base, establishing appropriate levels of performance, improving design and producibility, and simplifying demands on industry.

f. In this regard, the Defense Standardization Program extends beyond the area of supply management and its related function of procurement. It encompasses the effective management of engineering data such as specifications, standards, drawings, standardization handbooks, qualified products lists, and engineering records. In all areas, its objectives are to improve readiness, conserve resources, minimize the variety of processes and practices, and in so doing, enhance interchangeability, reliability, and maintainability of military equipment.

11-25. The Role of DLA

a. DLA has the responsibility for administering a portion of the Defense Standardization Program under title 10, United States Code. DLA bears three types of responsibility: acting as standardization assignee, acting as preparing activity for item reduction studies, and, to a limited extent, acting as preparing activity for specifications and standards. The agency has re-delegated certain of these responsibilities to applicable defense supply centers. As such, they monitor the preparation and revision of specifications and standards, schedule item reduction studies, monitor Standardization Status Codes assigned to new items upon entry into the supply

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systems, and report to higher authority the accomplishments of the total program.

b. Through item reduction studies, DLA attempts to reduce to the greatest degree practicable, the number of sizes and kinds of similar items in the supply system. The aim is to save money and, at the same time, give effective support to the Armed Forces. It involves the assignment or revision of Standardization Status Codes based on technical review of an item's characteristics. Decisions to eliminate items are always coordinated with the using military services. All supply centers prepare item reduction studies. Automated procedures at four defense supply centers facilitate production of the studies.

c. DLA operates only two official specifications and standards preparing activities. The Defense Personnel Support Center, Medical Directorate, prepares specifications and standards covering medical materiel, and the Defense Industrial Plant Equipment Center prepares specifications and standards covering plant equipment in the industrial inventory. The using military activity prepares specifications for plant equipment used in fixed applications and by operating forces. It is true that the Defense Electronics Supply Center prepares specifications and standards for electronic parts. However, this center is not an official preparing activity, but acts as agent for the military services. Other supply centers frequently prepare draft specifications to cover recommended changes, and submit them to the responsible military service preparing activity. They also comment on proposed specifications and standards prepared by military services for items in those supply classes which are managed by DLA.

d. A program for control of nonstandard parts is in operation at the Defense Electronics Supply Center and the Defense Industrial Supply Center. The Parts Control Program encourages items standardization during the system design stage, where Government and industry experts see the greatest potential for reducing acquisition and life-cycle costs.

e. One of DLA's field activities, the DLSC, has the task of accumulating and maintaining the Federal Catalog System data on each item required for supply operations. Initially, the data included in the catalog consisted primarily of a description and an identification number. In most cases, other readily available data such as size, weight, and cubage were also included in the file. With these data, DLSC concentrated at first on the process of item identification, the assignment of stock numbers, and the dissemination of information thereon.

f. It became evident almost from the start, however, that the collection and interchange of other data would enhance the catalog's usefulness. Additional information was subsequently added to the Federal Catalog System: freight classification, cataloging responsibility, inventory management, supply status, procurement status, and standardization status. With these inclusions, the files grew from 1.4 billion characters of information in 1962

to 7 billion characters. As a consequence, the Defense Integrated Data System Program was developed to consolidate the separate files into a single integrated management information bank, and the bank was expanded to a capacity of 13 billion characters of logistics data. Information will be available to all supply management agencies, civil agencies of the US Government, and friendly foreign governments for assistance in their materiel control functions. Furthermore, the information will facilitate many improvement programs.

g. The Defense Logistics Services Center also maintains a bank for world-wide data concerning the Defense Retail Interservice Support Program. Recorded savings, as a result of approximately 5,000 Interservice Support Agreements, were \$40.4 million for Fiscal Years 1975 through 1978. Military services and defense agencies report the necessary data in accordance with DOD Manual 4000.19-M.

h. The ASD(MI&L) has long recognized the need for a common supply data information system for all elements of DOD, and has taken the lead in sponsoring such a system and modifying it as more sophisticated supply management techniques have been developed. Without this aggressive sponsorship, many of the advances in supply management would not have been possible.

11-26. Item Entry Control Program

Controlling the entry of items into the various supply systems has long been a troublesome problem. In 1961, ICPs were directed to screen all new procurements against items already stocked. The program was further strengthened by establishment of the DOD Item Entry Control Office in DLA during Fiscal Year 1964. Initially, the program was applied to 76 selected high growth Federal supply classification classes at 10 designated defense technical review activities. Upon implementation of the Defense Integrated Data System at DLSC, the defense technical review activities were deactivated. Policy with regard to the program is in DOD 4130.2-M, Federal Catalog System Policy Manual. It directs all originators/submitters of catalog data to establish effective controls to prevent unessential new items from entering the supply system. The program involves the technical review of items against items already in the system. This review is by manufacturer's part numbers and technical characteristics, and is applied against items being retained for military service management. For items managed by DLA, the technical review is accomplished prior to the assignment

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of a new stock number and is applied to all Federal supply classification classes. Service-managed items in DLA-assigned classes flow directly to DLSC.

11-27. Item management coding

a. Management of a single item by more than one manager is inefficient for obvious reasons. When DLA was initially established, DOD sought to preclude duplication in management by setting forth specific criteria for guidance in determining whether or not a specific item should be assigned or coded to DLA for integrated management. Prior to 1 July 1965, tailored sets of criteria were developed for each broad commodity area to be subjected to integrated management on a selected basis. On 1 July 1965, DOD placed in effect revised policies and criteria, developed at the request of the military services, which would be used for the item management coding for every stock numbered item in classes assigned for integrated management. Excluded from such procedures are complete commodity assignments such as clothing, medical, and subsistence items. In effect, these criteria direct the transfer from ser-

vice management of every active item in those classes assigned to DLA for integrated management unless the item is:

- (1) A major end item of equipment.
- (2) A reparable item.
- (3) An item that is already managed on an integrated basis by a single agency other than DLA.
- (4) An item requiring issue approval because of design/engineering reasons.
- (5) An item supporting a nationally vital program.
- (6) An item unstable in design.
- (7) A source-controlled item.
- (8) An item not normally replenished through wholesale supply channels.
- (9) An item directly related to weapons systems and not covered by specifications or commercial standards.

(10) An item vital to the performance of an essential mission.

b. A service desiring to retain management of items under criteria 5 and 10 must obtain specific approval of the ASD(MI&L) on a case-by-case basis. Prior to assignment of an item management code, the managing service reviews requirements for the item. If it is found to be inactive, coding is not necessary, but the service must then advise DLSC that it is no longer interested in retaining the item's NSN in the active files.

c. Item identifications are described in accordance with the appropriate Federal Item Identification Guide (FIIG) and transmitted to DLSC by AUTODIN.

11-28. The Federal Item Identification Guides

The FIIG Improvement Program was initiated to provide improved logistics support. Designed to give more and better data on individual items of supply, it represents a major overhaul of the descriptive patterns previously used in cataloging items. The improved guide was selected because it was the best system for the orderly determination, collection, and transfer of item characteristics and interchangeability and substitutability criteria to a mechanized item intelligence bank. In machine-sensible coded form, the data are readily available for retention, conversion, and dissemination to users as required. The FIIGs include those data requirements specified by engineers and specialists in procurement, standardization, and supply to satisfy particular technical or managerial needs. These guides insure the preparation of a more comprehensive logistics data record package for each item of supply and, most important, make it possible to process the data entirely by machine.

11-29. North Atlantic Treaty Organization (NATO) codification

a. In March 1966, DLSC established an International Codification Division to perform or monitor the cataloging services rendered by the US Government to NATO nations and other friendly foreign governments. One of the main functions of this division is the preparation of item identifications for items procured by foreign governments from manufacturers in the United States, which have not previously been identified or assigned stock numbers in the Federal Catalog System. This division also acts as a central collaborating activity for revisions or cancellations of item identifications on which a foreign government is recorded as a user.

b. As of 31 December 1977, the DLSC file has recorded over three million management registrations to 12 NATO countries, seven other friendly foreign governments, and four NATO agencies. The quantity of management registrations by country or agency is shown in table 11-2.

11-30. Defense Integrated Data System

The Defense Integrated Data System, which was implemented in March 1975, exploits the latest technological developments in ADP and communications, and embraces most of the functional missions currently assigned to DLSC. The objective of the system is to provide maximum support to defense activities,

civil agencies, and foreign governments with a wide selection of tailored logistics data products and services necessary to their supply support missions. Data products and services emanate from a large ADP complex which uses and maintains a massive, integrated bank of logistics data. Among the supported functions are item identification, interchangeability and substitutability, traffic

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Table 11-2. Participation In the US Cataloging System

NATO COUNTRIES			
Belgium	230,701	Italy	69,381
Canada	353,580	Netherlands	312,754
Denmark	213,266	Norway	280,404
France	318,450	Portugal	36,930
Germany	773,341	Turkey	5,538
Greece	210,588	United Kingdom	273,287
OTHER FOREIGN GOVERNMENTS			
Australia	536,572	Philippines	21*
Brazil*	60	South Korea	671*
Israel	24,881	Spain	293*
Egypt*	7,436	Saudi Arabia	22,033*
Kuwait	66,074	Singapore	90,509
New Zealand	139,602	Sudan	1,314
NATO AGENCIES			
Logistics Working Group		107,220	
NATO Supply Center		134,545	
NATO International Commission		1,438	
Supply Management Agency			
SHAPE		93	

* Catalog services are not furnished these foreign countries. User registration in the central files was recorded by the US military services under the FMS Program

management, and supply management. By agreement, DLSC furnished to the Defense Property Disposal Service the ADP resources which support the reutilization and marketing functions.

11-31. Interchangeability and substitutability

a. The basic test of interchangeability and substitutability is the determination of item similarity or identity. Functional and physical characteristics may reveal equivalency in performance, reliability, and maintainability. Items of similar or identical characteristics can then be interchanged without alteration to themselves or to adjoining items, except for adjustment.

b. Section II of the FIIG provides criteria for the determination of item interchangeability. These criteria consist of data ranges, conversion formulas, and decision rules. For purposes of NSN assignment, items deemed interchangeable are considered duplicates to which the same number should apply; those items revealed to be duplicates result in "cancel duplication" action. Substitutability and preferability criteria will not be used in NSN

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assignment, but will be available for use by other logistics functional areas.

11-32. Defense Inactive Item Program

Another facet of the overall effort to accelerate reduction of the total number of items carried in the Federal Supply Catalog is the Inactive Item Program. The program was initially instituted by DLA to monitor and purge its supply system of obsolete, nonstandard, and low or nondemand items. Such phenomenal results were produced over a relatively short period that DOD Directive 4140.32 was issued in February 1968 establishing a Defense Inactive Item Program. This directive, in effect, paralleled the DLA program and required all items of supply (including service-managed items) carried in military inventories to be subjected to review for inactivity on a progressive and systematic basis. Essentially, the Inactive Item Program provides for continuing examination of items carried in inventory. Items are programmed for selection for review based on no demands being experienced during a 24-month period after becoming mature (7 years after system entry date). Each item selected for review is subjected to a thorough analysis to determine reasons for inactivity, and coded for retention or deletion, as appropriate. Inventory managers are authorized to cite items for retention by application of retention reason codes which insure continuous stockage required to support current weaponry or other mission objectives. Examples of retention reason codes are newly provisioned items, insurance items, mobilization reserve items, and MAP items required to support friendly foreign governments. Items coded for review at 12-month intervals after the initial review are based on continued inactivity until a delete decision is registered.

Section VIII Defense Automatic Addressing System

11-33. General

In 1965, the ASD(MI&L) approved the Defense Automatic Addressing System (DAAS) as a permanent part of the logistics pipeline. The system automatically routes MILSTRIP and MILSTRAP documents with direct online connections to AUTODIN of the Defense Communications System. In 1976, DOD Directive 4000.25 established DAAS and directed its use in all logistics systems.

11-34. Principles and concepts

a. Today the DAAS functions at two locations (the Defense Electronic Supply Center, Gentile Air Force Station, Dayton, OH; and the Defense Depot, Tracy, CA). It functions as a real time random access multiple processing system with direct computer connections to all of CONUS AUTODINs and provides the "electrical pulse" input and output required to handle a high volume of documents. The system operates on a 24-hour 7-day week basis processing over a million documents

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per day.

b. DLA administers this system under the provisions of DOD Directive 4000.25. The DAAS Office is a management support activity of DLA and operates within the parameters of the other Military Standard Logistics Systems. A system administrator works with the designated military services/agencies to provide procedural and operational guidance.

c. The system's strong point is its capability to "address" and "commun-

icate" rapidly. Based upon this capability, and its position in the logistics pipeline, additional functions related to "addressing" and "communicating" have been progressively assigned to the office over the past years to be operated in conjunction with the DAAS. The following functions have been assigned:

(1) Automatic mail system. The DAAS has the capability of receiving transmissions from the military services/agencies by way of AUTODIN and re-transmitting by way of the US Postal Service, to DOD elements who do not have electronic communications service.

(2) DOD activity address directory system. The DAAS Office has the responsibility for automation and maintenance of this system, under the operational guidance of a system administrator.

(3) MAP address directory system. The DAAS Office has the responsibility for automation and maintenance of this system, under the operational guidance of a system administrator.

(4) Defense European and Pacific redistribution activity. This activity operates as a division of the DAAS Office, under the operational guidance of the MILSTRIP system administrator.

(5) Military Routing Identifiers. The Military Routing Identifiers are mechanically maintained and published by the DAAS Office as supplement 1 to MILSTRIP, under the DOD MILSTRIP system administrator.

(6) MILSTEP DOD central data collection point. At the Tracy element of the DAAS Office, transportation data are accumulated for preparation of the supply and transportation reports. Operation guidance for the collection point is provided by the MILSTEP system administrator.

(7) Other functional assignments.

(a) NSN editing of requisitions.

(b) Return of requisitions for local procurement. This is used primarily by the Navy.

(c) Conversion of part number requisitions to NSN requisitions.

(d) Processing interfund billing documents.

(e) Editing notice of availability documents for FMS.

(f) Furnishing images of all Army logistics documents flowing through the system to the Logistics Control Agency for the Army Logistics Information Files.

d. The DAAS performs many services for the customers, but always the prime mission is getting the logistics documents to the right source of supply with the least practical delay in time. The military services and agencies have recognized the system capability and are using the system to the maximum. In addition, there is a continuing effort being made to open new markets for the effective utilization of available materiel and to uncover additional sources of such materiel which might be effectively screened against existing requirements.

11-35. DOD activity address directory

The DOD Activity Address Directory System provides identification codes, clear-text addresses, and selected data characteristics of organizational activities needed for materiel requisitioning, marking, shipping document preparation, billing, and similar applications. The master activity address file is maintained by DLA and contains data for each organizational activity identified for logistics purposes, activities of other Federal agencies with which DOD maintains logistics support arrangement, and each commercial organization which enters into supplies/services contract with DOD. Each Government organization is identified by a code which is assigned by the DOD component having jurisdiction over the organizational entity. Identification codes for commercial organizations are assigned by that component which enters into materiel/services contracts with the commercial organization. The directory, DOD 4000.25-D, is comprised of three parts and is published on microfiche. Part I, Code to Name, and part II, Zip Code Sequence, are issued in one publication. Part III, Civil Agency Addresses, is issued as a separate publication.

11-36. MAP address directory

a. This system provides for the establishment, maintenance, publication, and rapid dissemination of addresses required for FMS and Security Assistance Program grant aid shipments and addresses for distribution of related documentation.

b. The MAP Address Directory, DOD Directive 5105.38-D, contains the addresses of country representatives, freight forwarders, and customers within country required for releasing FMS and Security Assistance Program grant aid shipments, and addresses required for distribution of related documentation. The addresses in the directory are furnished by representatives of foreign governments for use in receipt of materiel purchased under the FMS Program and by US Military Assistance Advisory Groups for receipt of materiel under the MAP Grant Aid Program.

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Section IX

The Defense Retail Interservice Support Program

11-37. Scope

a. The Defense Retail Interservice Support Program is designed to promote and encourage Interservice support involving materiel services, and sometimes manpower between retail activities primarily at: bases, posts, camps, stations, and installations of DOD and participating non-DOD elements. The primary purpose of the program is to either provide or obtain various kinds of support from such activities in order to achieve efficiency and economy in their operations. The scope includes administrative and logistical support services such as legal, personnel, utilities, mortuary, and stevedoring, to name but a few. Also included are supply and/or maintenance support services such as aircraft, vehicles, missiles, and parachutes among others.

b. DOD Directive 4000.19, dated 27 March 1972, Interservice, Interdepartmental, and Interagency Support, established the Defense Retail Interservice Support Program. DOD 4000.19-M (Defense Retail Interservice Support Manual) implements the program, which is coordinated by DLA. Each service manages its own program.

c. The basic objective of this program is to provide local commanders with a means of improving their operations by maximizing the effective use of support services available in geographic areas worldwide where more than one different military or defense agency operates. Changes to the program in 1982 make participation in area studies conducted by the joint Interservice resources study groups (JIRSG) mandatory. JIRSGs report through assigned major commands to their service departmental headquarters.

d. The numerous diversified type of retail level support services recorded substantiate the fact that the Defense Retail Interservice Support Program has no relative boundaries and is unlimited with respect to affecting direct/indirect savings of defense dollars.

e. The Defense Retail Interservice Support Program is an ongoing DOD program which encourages and supports maximum use of support services. As constituted, the program provides visibility of existing support services and identifies potential duplication of functions and facilities within and among DOD and the Federal agencies. Total dedication to the objectives of the program will result in the elimination of duplications that would enhance administration efforts to shrink the overall Government budget and protect the DOD capability of maintaining a sound defense posture.

Section X

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Military Standard Billing System

11-38. General

The Military Standard Billing System (MILBILLS) provides standard mechanized procedures and formats to be used by DOD components for billing, collecting, and related accounting for sales of materiel from supply system stock, including direct deliveries. These standard procedures also provide a mechanized means for processing, billing, collecting, and accounting actions for GSA sales to DOD components. DLA has established the DLSSO to administer this system under the provisions of DOD Directive 4000.25. Details of the system are contained in DOD 4000.25-7-M which was implemented in July 1973. The ASD(Comptroller) provides policy guidance through DOD Instruction 7420.12, "Billing, Collection, and Accounting for Sales of Materiel From Supply System Stock," and DOD 7290.3-M, "Foreign Military Sales Financial Management Manual" and directs the implementation and compliance throughout DOD.

11-39. Applicability

a. The mechanized billing, collecting, and related accounting procedures apply to DOD sales from inventory of stock funds and appropriation financed materiel within DOD, including transfers to MAP, Grant Aid Program, and FMS with certain modifications as outlined in DOD Instruction 7420.12.

b. The procedures do not apply to sales to individuals, nonappropriated fund activities, State and local governments, commercial firms, and FMS (except as indicated in the detailed procedures), and sales of major end items (complete aircraft, ships, tanks, space vehicles, and missiles), and orders handled by military interdepartmental purchase requests. In cases where only limited materiel sales occur between DOD activities, it may be more expedient to process billings through use of SF 1080, Voucher for Transfer Between Appropriations and/or Funds.

11-40. Procedures

MILSBILLS provides procedures for: Billing for Sales of Materiel -Interfund; Billing for Sales of Materiel -Noninterfund; Billing for Accessorial /Services Charges; Billing Credits for Materiel Returns; Retail Loss Allowance; Billing Adjustment Requests and Responses; and Billing-Office-Transportation Handling and Marking Surcharges for Oversea Shipments (GSA only).

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11-41. The Defense Precious Metals Recovery Program

The Defense Precious Metals Recovery Program was assigned to DLA 1 October 1974. The program assimilates three previous existing programs: The Navy Silver Reclamation Program, the DLA Gold Recovery Program, and the GSA Platinum Recovery Program. It proposes to improve and expand the prior programs by item identification, industrial surveys, acquisition and placement of collection and recovery equipment, and recovery of gold, silver, platinum, and the platinum family of precious metals. Its goal is to maximize the use of refined precious metals for authorized internal use or as Government-furnished materiel in defense contracts to reduce procurement costs. It is a totally self-sufficient program, identifying all costs of recovery and recovering those costs from the sale of the refined products.

11-42. The Defense Materiel Utilization Program

This program acts as the central clearinghouse of information to improve the use of excess assets throughout DOD and other Federal agencies.

11-43. The Coordinated Procurement Program

This program assigns procurement of similar items used by defense components and civil agencies of the Federal Government, DLA, GSA, or the military department. This integrated program precludes duplication of procurement of similar items in the Federal Government.

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Chapter 12

Assignment of Supply Responsibilities

12-1. Assigning supply responsibilities in the Army

a. Overall policy governing Army supply management is developed in the offices of the Secretary of the Army and Army General Staff. These offices also control expenditures and exercise selective management over critical items of materiel. Operating policy and additional controls over the flow of supplies are applied by Headquarters, US Army Materiel Command (AMC); Headquarters, US Army Information Systems Command; Office of the Chief of Engineers; Office of the Surgeon General; and Headquarters, US Army Intelligence and Security Command. The principal inventory management activities that perform the functions of cataloging, requirements determination, procurement direction, distribution planning, maintenance management, and materiel utilization and disposal are the materiel readiness commands of the US Army, the Defense Logistics Agency (DLA), US Army Information Systems Command, and the General Services Administration (GSA). Worldwide inventory management focuses at these points.

b. The Office of Federal Supply and Services and the defense supply centers perform inventory management functions for GSA and DLA, respectively. Service item control centers are the information exchange points between the Army and DLA or GSA for those items managed by them.

c. At the installation level, inventory management is concerned with establishing a requisitioning objective for each item, the flow of documents, stock replenishment, authorized local procurement direction, and distribution to supported organizations.

d. In overseas theaters, policy direction comes from unified command headquarters (under the directive authority of unified commanders) and theater Army headquarters. The organization for supply management depends on the theater and the mission. There usually is a reasonably secure rear area where a theater materiel management center and general support units can be located. The theater Army materiel management center provides theaterwide inventory management for those items designated by the theater Army for intensive management and allocation which includes determination of requisitioning objectives, managing requisitions, replenishing theater stocks, directing off-shore procurement, and managing the distribution of these selected supplies. Rebuild and overhaul is coordinated with applicable materiel readiness commands in the Continental United States (CONUS). Similar functions may also be accomplished by corps support commands and their materiel management centers. Forward of this point, supply management functions are usually limited to maintaining authorized stock lists (lists of items authorized to be stocked at each supply point), establishing stock reorder points, and managing requisitions.

12-2. Commodity organization

The operating commands of AMC are commodity-oriented organizations charged with the management of items peculiar to their respective missions. These operating commands, commonly known as materiel readiness commands, have within their organization commodity management centers commonly referred to as national inventory control points (NICPs). The NICPs are responsible for the national level management of inventories of assigned commodities. The inventory managers at the NICPs are responsible for the management of those items which are assigned to them. The NICPs perform the following functions.

- a. Cataloging direction.
- b. Requirements determination.
- c. Procurement direction.
- d. Distribution planning.
- e. Maintenance direction.
- f. Materiel reutilization and disposal.

12-3. Cataloging direction

The inventory managers in the Army NICPs are responsible for insuring that items are properly cataloged and recorded in the appropriate working file sections of the Army Central Logistics Data Bank so that the worldwide customers will know what the item is, what the item does, what stock number to use, what the unit cost is, and where to submit requests for the item. Although OLA has responsibility for maintaining the Federal Catalog System files at the Defense Logistics Services Center (DLSC), located at Battle Creek, Michigan, the individual inventory managers have responsibility for initiation of cataloging actions for items they manage and for changes to the catalog data.

12-4. Requirements determination

The inventory managers at the Army NICPs are responsible for insuring that all peacetime and mobilization requirements are funded for and are available to meet projected demands. The authority vested in inventory managers and the degree of review by higher authority are related closely to the criticality of items involved, category of funds to be expended, and the dollar value of projected procurements.

12-5. Procurement direction

Army inventory managers have the authority to direct procurement to be accomplished, subject to limitations

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of approved programs and direction from higher authority.

12-6. Distribution planning

Army inventory managers control CONUS depot stocks and, for selected secondary items, they exercise some control of stocks located in CONUS posts, camps, and stations, and oversea depots, subject to parameters established by the Department of the Army (DA). This function involves the control of inventories to insure they are adequate, but not excessive, and that they are strategically located so as to be most responsive to customer demands.

12-7. Maintenance direction

Army inventory managers forecast the quantity of items which will need over-

haul. In computing supply requirements, all assets (serviceable and economically repairable) are considered. Close coordination between inventory managers and maintenance managers is necessary because the supply of serviceable items may depend upon overhaul capacities and timely programs.

12-8. Materiel reutilization and disposal

Army inventory managers are required to insure that excess or obsolete stocks are removed from the system. They are responsible for the declaration of excesses and, when the materiel have been declared excess to DOD, taking further action to effect disposal. The inventory managers participate in the DOD Materiel Reutilization Program to insure proper utilization of excess stocks prior to disposal.

12-9. Project management

The project manager is responsible for coordinating actions among those inventory managers whose assigned items are used in support of the project-managed system.

12-10. Assigning supply responsibilities in the Navy

a. Central item management control of Navy material is performed by the inventory control points (ICP). They are under the management control of the Naval Supply Systems Command and the other bureaus, systems commands, or offices. Their principal functions are provisioning and inventory control. In performing these functions, a number of other actions must be taken beginning with identification of items required, the collection of technical data, item selection, the development and maintenance of allowance and load lists, the determination of system support requirements, cataloging, packaging and preservation, pricing, procurement, distribution, accumulation of usage, demand and maintenance data, the adjustment of replacement factors, and determinations with regard to retention and disposal. Thus, information flows to the ICP from many sources. The bureaus, systems command, or offices relay and augment information received from the Chief of Naval Operations and Commandant of the Marine Corps relative to the composition and deployment of the operating forces. In addition to the bureaus, systems commands or offices provide engineering and technical information. The stock points provide input at specified intervals regarding demand data and future local requirements. The fleet provides information on usage and allowance and load lists. Finally, it is the evaluation of these data that forms the basis of the many decisions required of a inventory manager.

b. From provisioning through disposal, there is a merging of relationships within the ICP that includes the Chief of Naval Operations, the Chief of Naval Material, the Fleet Commands, and the bureaus, systems commands, or offices. For the purpose of carrying out responsibilities of the many parties involved in the effective support of the equipment making up naval weapons systems, the Navy has developed and implemented the program support/supply support concepts.

c. Program support signifies that a single ICP will insure that the Navy, DLA, or other integrated inventory managers accept the responsibilities for furnishing all repair parts that are required for the operation and maintenance of an equipment assigned to that ICP. Supply support, in relation to program support, signifies that an ICP assigned or accepting responsibility for an item will stock the item in its segment of the supply system or make sure that it is available from commercial sources or from other Government agencies.

d. Within the Navy, program support assignment usually is made to the ICP having principal cognizance over the material area involved; e.g., Aviation Supply Office for aviation; Ships Parts Control Center for ships, ordnance, electronics, and submarines. These ICPs are primarily responsible for peculiar repair parts support of assigned major equipment. Certain common commodities which are required for support of programs of the various military

services are assigned, on a Federal supply class basis, for integrated management by defense supply centers or other integrated managers. The Navy program ICP may retain management responsibility for reparable, end items, and repair parts essential for support of assigned equipment installed in critical weapon systems, even though they fall within classes assigned to DLA for integrated management. The selection of these retained items is done in accordance with item management coding criteria established by the Department of Defense (DOD). The

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program support ICP also submits supply support requests to the other Navy ICP or to ICPs in the other services for items which they manage. In the latter case, the other service manager is designated as the weapons integrated material manager/primary inventory control activity which furnishes supply support to all users of the item. Likewise, the Navy ICPs may serve as weapons integrated material managers/primary inventory control activity for specific items, thereby providing support to other service users, as well as to Navy customers. The assignment of items to a particular service ICP for integrated management is also accomplished in accordance with DOD-approved criteria.

e. The material under the control of the Navy, DLA, or other inventory manager is identified by a cognizance symbol. For example, symbol 1H identifies certain shipboard type items under the control of the Ships Parts Control Center; symbol 2R identifies certain items controlled by the Aviation Supply Office; symbol 9N identifies Navy retail stocks of electronics items under management of the Defense Electronics Supply Center, a DLA activity; symbol 9A identifies Navy retail stock of tactical/transport vehicle items under management of the US Army Tank-Automotive Command (TACOM). The numerical portion of the cognizant symbol indicated that particular store's account in which the item is carried (odd numbers for Naval Stock Fund Account and even numbers for Appropriation Purchase Account).

f. Under the program support concept, a bureau, systems command, or office looks to the program support ICP for repair parts support of an item of equipment. When program support for an item of equipment is assigned to an ICP, it acts as the agent for the cognizant bureau, systems command, or office and Naval Supply Systems Command to perform the function. Having program support, the ICP generally retains inventory management responsibility for repair parts peculiar to the equipment; other items are assigned to the other Navy ICP, or integrated managers for supply support on the basis of their material cognizance.

g. To enhance the effectiveness of the supply system in supporting specific equipment of the operating forces, the other bureaus, system commands, or offices and Naval Supply Systems Command enter into agreements for providing timely information on equipment programs and technical data to ICPs assigned program support responsibilities. These agreements provide for furnishing in the following areas:

- (1) Equipment population and deployment.
- (2) Type of support required (including allowance and load list responsibilities),
- (3) Equipment programs indicating new procurement and planned requirements.
- (4) Equipment provisioning policies (including design changes and afloat and ashore maintenance/repair capabilities).

h. "Provisioning" or the development of the initial supply support for new weapon systems or equipment is under the administrative management of the program support ICP, which is responsible for integrating the basic technical documentation provided by the contractor; the technical decisions such as failure rates, maintenance levels, and equipment/part essentiality; program

data such as planned operating schedules and end item population; and basic logistics support policies to arrive at the range and quantity of spare and repair parts required for each echelon to meet the readiness goals established by the Chief of Naval Operations. The ICP gives operational meaning to the ranges and quantities determined in the provisioning process by generating allowance lists and supply aids needed by operating units (ships and shore stations) to identify and requisition storeroom stock, and statements of material requirements. The material requirements statements are expressed in the form of orders placed directly on industry for the items to be managed by the program support ICP and supply support requests directed to the appropriate inventory manager for those items identified for integrated material management.

12-11. Assigning supply responsibilities in the Air Force

- a. Overall supervision and coordination of supply matters is achieved at Headquarters, US Air Force where every phase of activity is represented.
- b. The Air Force Logistics Command has been assigned the responsibility for wholesale logistics support for Air Force commands and units. This includes specialized logistics training, technical guidance, control, and supply support in all its aspects.
- c. The depot system of the Air Force Logistics Command is the heart of the Air Force supply system. At major command level, the director of logistics (in some major commands the Deputy Chief of Staff for Logistics (DCSLOG)), as a member of the headquarters staff is charged with planning for and supervising the logistics support for the entire command. If the command is divided into numbered Air Forces, the director of logistics at each Air Force headquarters has similar responsibilities. The pattern applies through all echelons down to, and including the wing. Each Air Force base within a major command has its own supply organization to serve the units stationed at that base. Overseas bases have precisely the same responsibility as their counter-parts in CONUS. Supply responsibilities are, in other words, an integral part of the operation of every level of command.
- d. At the same time, the many supply organizations in the Air Force, from the depots of the Air Force

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Logistics Command through supply activities, are closely dependent upon each other. The Logistics Command, for example, relies on its customers for information on issue experience, on the status of onhand inventories, and on unsatisfactory performance of equipment.

12-12. Headquarters, United States Air Force

- a. The responsibility that Headquarters, US Air Force has for supervising and planning for supply management is centered in the Deputy Chief of Staff for Logistics and Engineering and the directorates under his control. This group is essentially a planning and policymaking agency, charged with establishing broad guidance and plans in the supply field for the Air Force as a whole.
- b. The Directorate of Maintenance and Supply, which operates under the Deputy Chief of Staff for Logistics and Engineering, has the following major supply responsibilities: issuing policy directives for supply and service functions and insuring that implementing action is taken; and participating in the review of quantitative materiel requirements submitted by units in their budgets.

12-13. Air Force Logistics Command

a. In relation to the Office of the Deputy Chief of Staff for Logistics and Engineering, at Headquarters, US Air Force, which does broad planning and establishes the policy for materiel activities, the Air Force Logistics Command is charged with the task of providing technical supervision, to materiel activities.

b. In general, the Air Force Logistics Command is the central repair parts procurement, supply, and maintenance agency. It might be called the materiel "wholesaler" for the Air Force, as it actually stores, distributes, and repairs almost all aerospace and ground equipment and supplies for which other commands are "retailers" or "consumers". This responsibility includes such tasks as computing materiel requirements, preparing and defending budgets, letting contracts, and performing or contracting for major maintenance.

c. For Air Force-used items which qualify for item management assignment to a Defense Supply Center the Air Force Logistics Command has several responsibilities. It represents the Air Force in, implementing the DOD item management coding program by insuring that coding criteria are followed, regardless of whether the item is already in the inventory or is entering as a new item through provisioning. For those items coded for transfer to a defense supply center from an Air Force Logistics Command wholesale manager, the command arranges transfer details and asset decapitalization and attrition. Further, Air Force Logistics Command provides the gaining DLA manager with required technical and procurement history data, engineering support, and other special requirements. The Air Force Logistics Command is responsible for submission and receipt of military interdepartmental purchase requests under the guidelines of coordinated procurement assignments. Each major command (e.g., Strategic Air Command, Tactical Air Command, Air Force Logistics Command) is, however, responsible for computing its own materiel requirements and the funds needed to obtain items managed by each defense supply center.

d. The Air Force Logistics Command established policies and procedures for procurement, supply, quality control, maintenance, transportation, and other functions of an integrated materiel system. For this purpose, it publishes a series of manuals and directives like the US Air Force Supply Manual 67-1. It also sends out coordination teams periodically to visit bases and consult on supply procedures and problems.

e. The command currently operates five supply depots in CONUS. These are collocated with the headquarters of the Air Logistics Centers, which control the storage operations and provide logistics assistance to Air Force activities within their areas of responsibility. The Air Logistics Centers are worldwide managers for the commodity classes and weapon systems assigned to them.

f. There are two principal individuals who support the logistics effort of the Air Logistics Centers and Air Force Logistics Command. The first is the system manager and the other is the item manager.

g. A "system" can be defined as a composite of equipment, skills, and techniques that form a combat instrument, usually with an aerospace vehicle as its major operational element. The complete weapon system includes all related facilities, equipment, materiel, service, and personnel required solely for the operation of the aerospace vehicle, so that the instrument of combat becomes a self-sufficient unit of striking power in its intended operational environment. The system management concept was developed to improve materiel distribution and insure the prompt support of the selected vital weapon system.

h. The assignment of system manager responsibilities to an Air Logistics Center is based on many considerations, including characteristics of the new system, the geographical location of the planned using command, optimum use of existing Air Force Logistics Command facilities and capabilities, and compatibility with current and future system assignments. In addition to these factors, others are considered such as the availability of system manager work force skills, the item management and special repair activity relationships, and the recommendation of the Headquarters, Air Force Lo-

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gistics Command staff.

i. The title "system manager" identifies the individual appointed by the Air Logistics Center commander to insure that the actions necessary to carry out the support responsibilities are in consonance with the program objectives, Air Force Logistics Command policies, and the needs of the using commands. The using commands experiencing difficulties in obtaining satisfactory support for a specific system refer their problems to the appropriate system manager as the single focal point for all system support. The system manager evaluates and analyzes the problem areas and, in turn, initiates appropriate actions with the item managers, other Air Logistics Center activities, or any other source to correct the deficiency.

j. The specific province of the system manager is to operate through the existing Air Force Logistics Command functional organizational framework rather than having all of the logistics support resources (e.g., facilities, finances, and personnel) under their direct control. System manager responsibilities include the scheduling and chairmanship of the source coding and provisioning repair parts conferences for the system, determining the range of items to be accumulated in the weapon system's storage site, providing guidance to the item manager for developing and subsequently implementing follow-on support plans, and developing and determining modification and repair schedules for the system. The system manager also budgets for, and initiates, any fleet modernization program that may be required after the system has been delivered to the using command.

k. The other keystone in the logistics effort of the Air Logistics Center is the item manager. His activities are largely influenced by those of the system manager. To understand the importance of this relationship is to understand the numerous involvements and exchanges that exist between these two management elements.

l. The direct system functions at the Air Logistics Centers are divided between those relating to the management of systems as total entities and those concerned with the management of individual items of hardware air supply required in support of the system as well as try handle other Air Force materiel needs. The item manager concept was developed by the Air Force Logistics Command to apply single-point control to hardware management.

m. The principle that guides the concept is to gather together under a single point all of the functions that relate the management and control of hardware material. The item manager's functions include the distribution and redistribution of worldwide inventories, determining quantitative materiel requirements, and estimating the defending budgets. Additionally, the item manager responsibilities include provisioning, cataloging, repair programs, redistribution, storage, and related functions.

n. The functions of an item manager are the same regardless of which items are assigned or how the items are identified. Item manager responsibilities are assigned by Headquarters, Air Force Logistics Command on the basis of Federal supply classes, Federal supply groups, or individual items.

o. Each Air Logistics Center gives certain kinds of assistance to units within the area. These services include providing technical surveillance over base supply functions, sending technical assistance teams to bases, and monitoring the logistics phases of activation or inactivation of bases within the area.

12-14. Air Force bases

a. At a wing base, the Deputy Commander for Resource Management, as a member of the headquarters staff, plans for and supervises the logistics support for the wing. When an entire combat or training wing is stationed at one base, actual supply activities-as distinct from planning, supervisory, and

staff responsibility-generally are centered in a single supply organization. This organization is standard at those bases which the Air Force converted to the Standard Base Supply System. The Chief of Supply heads up the standard organization and also serves as commander of the supply squadron on base. Under him there are the following branches: management and procedures; supply systems; customer support; materiel management; materiel storage and distribution; and fuels management. This organization does not change its basic form regardless of the size of the activity or base it supports. The standard system is cellular and has five basic configurations; however, the six basic branches and the squadron section are found at each base.

b. The Chief of Supply provides computer support to the base munitions account. Depending on the organizational structure of the base, he may also be the munitions accountable officer.

c. While the Chief of Supply provides the major part of the materiel support required on the base, there are other logistics organizations which provide logistics support to base activities. Among these are the commissary, base exchange, and mortuary service.

12-15. Assigning supply responsibilities in the Marine Corps

a. The flow of fundamental supply management policy is from the Office of the Secretary of the Navy (Shipbuilding and Logistics) to the Commandant of the Marine Corps.

b. The Commandant of the Marine Corps is responsible for the operation of the Marine Corps materiel

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support system. The Chief of Naval Material, under the Chief of Naval Operations, is responsible to the Commandant of the Marine Corps. Medical and dental supplies are also provided by the Navy. For Marine Corps units in an expeditionary status, the Navy provides substantial subsistence and petroleum, oils, and lubricants support to the Marine Corps supply system. All other items are provided by the appropriate integrated materiel manager.

c. The Commandant has on his immediate staff the Deputy Chief of Staff for Installations and Logistics who establishes allowances of major end items, provides logistics policy guidance, and is responsible for the operation of the supply system; and the Fiscal Director of the Marine Corps who provides financial and budgetary policy and guidance.

d. Within Marine Corps headquarters, uniform policies and procedures are developed and promulgated directly to all field commands. For major items, Marine Corps headquarters has retained responsibility for programing, budgeting, requirements determination, procurement, and depot maintenance scheduling.

e. The Commanding General, Marine Corps Logistics Base (MCLB), Albany, Georgia, is responsible for operation of the Marine Corps single, centralized, ICP. He is also assigned responsibility for technical direction of the two Marine Corps remote storage activities (RSAs), located at MCLB, Albany, GA, and MCLB, Barstow, CA. In this capacity, he manages the Marine Corps Unified Materiel Management System, a depot-level or "in-stores" level of supply, having cognizance over all "in-stores" assets of the Marine Corps. The ICP performs the entire range of functions inherent in that type activity for all Marine Corps items, such as cataloging, item management coding, provisioning, accounting, distributing, managing supply, computing requirements, controlling reparables, disposing, and reporting.

f. The MCLB, in addition to their roles as RSAs, store and issue materiel, and operate depot-level rebuild facilities for overhaul or rebuild of Marine Corps equipment.

g. Marine Corps doctrine holds that supply is a function of command;

therefore, accountability is inherent in command. Thus, although the "in-stores" portion of the supply system pushes supplies as far toward the point of consumption as is prudent, it is the responsibility of the commanding officer of each organization under uniform Marine Corps procedures, to perform his internal supply management, account for his materiel, requisition his needs, perform or seek maintenance, and dispose of his excesses.

h. Those assets held by the Fleet Marine Forces, whether by the combat, combat support, or combat service support units, are the responsibility of the respective organizational commanders and are not subject to redistribution by the central ICP. Fleet Marine Force organizations are responsible for entering into local interservice support agreements whenever this is operationally feasible and economical.

i. The normal sources of supply for a Marine Corps organization not part of the Fleet Marine Forces includes cross-servicing, mandatory procurement from GSA, Federal Prison Industries, or through coordinated procurement channels. It is the base commander's responsibility to maintain a capability to secure supplies and materiel through these sources.

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Chapter 13

Equipment Authorization and Control Systems

Section I

Equipment Authorization and Control Systems, US Army

13-1. The Army Authorization Documents System

a. The Army Authorization Documents System (TAADS) provides an automated system for developing and documenting organizational structure requirements and authorizations for personnel and equipment necessary to support the assigned missions of Army units. The system expresses organizational data required in all planning for Army organization, missions, personnel, and equipment in terms that are compatible with other Army management systems. TAADS provides a standard format for authorization documents, and provides a single channel for all troop and installation authorizations.

b. The basic documents involved are described in the following paragraphs.

(1) Tables of organization and equipment (TOE). These are planning documents which prescribe the normal wartime mission, organizational structure, and personnel and equipment requirements for type military units. TOEs are the bases for authorization documents (modification tables of organization and equipment (MTOE)). They normally contain documentation for three strength and equipment levels of 100 percent, 90 percent, or 80 percent, in consonance with the readiness system prescribed in Army Regulation (AR) 220-1. Each level represents a balanced organizational structure. Level 1 (100 percent) represents full requirements for sustained combat. Levels 2 (90 percent) and 3 (80 percent) provide balanced organizational structures of reduced capabilities from level 1 in terms of staying power in combat or ability to perform quantitative workloads.

(2) Modification tables of organization and equipment. These are authorization documents which modify the basic TOEs to meet the particular needs of a specific unit or type of unit. An MTOE is processed through one channel to simplify and facilitate control of requirements and authorizations at all command levels.

(3) Tables of distribution and allowances (TDA). These documents prescribe the mission, organizational structure, personnel and equipment authorizations, and requirements for which there are no appropriate TOEs. A unit may also be established under a TDA augmentation document to authorize additional personnel and/or equipment required for an MTOE unit performing

an added non-MTOE mission.

(a) TDAs are manpower management tools used at the installation and other levels of command. They are used by commanders to review the distribution and utilization of manpower and other resources. They relate manpower and supply data to the program and budget which are maintained under the Army Management Structure, and aid in preparation of budget estimates and funding plans.

(b) Application of TDAs to the performance of the manpower and personnel functions in the Army vary according to the needs and operating procedures in specific commands. Requirements and authorization data for equipment and personnel are reflected in a unit's TDA.

(c) When changes in mission, capabilities, organization, personnel, or equipment become necessary a unit or installation organized under a TDA submits a change to the table in accordance with ARs 310-34 and 310-49.

(4) Common tables of allowance (CTA). CLAs provide an approved basis of issue for common items of expendable, durable, and nonexpendable equipment. The tables serve as authorization documents for items of materiel required for common usage by individuals and/or TOEs, TDAs, or joint tables of allowances units and activities Army-wide. A list of Pitas is contained in appendix C of AR 310-34.

(5) Telecommunications requirement. A telecommunications requirement is a statement of a requirement on which planning, programing, budgeting justification, and management evaluation is based for all nontactical telecommunications services, facilities, systems, equipment, and engineering and technical assistance. It is considered an authorization document until the equipment required for the project is operational, assigned standard line item numbers, and included in appropriate TDA. See ARs 105-22 and 310-49.

13-2. Types of property, property books, and reporting high-and low-dollar value items

The provision of adequate quantities of supplies and equipment to the user is a command responsibility. To obtain these supplies and equipment, units and individuals must make their requirements known through the requisition process. To insure that units and individuals receive their authorized allowances and that the proper controls are exercised, supplies and equipment are divided into types. Additionally, various degrees of accountability are established. These controls reduce the administrative workload at the use and installation levels.

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13-3. Types of property

Property under the control of installations, activities, and units, for the purpose of accountability, is classified as:

a. Real property. This classification includes land and interests therein, including buildings, piers, docks, warehouses, rights-of-way and easements, utilities systems, and all other improvements permanently attached and ordinarily considered to be real estate. It does not include machinery, equipment, or fixed signal communications systems which may be removed without impairing the usefulness of the structure. Real property is primarily an engineer responsibility.

b. Supplies and equipment. This classification includes all raw materials, commodities, manufactured articles, means of transportation, unit assemblies, and units of equipment procured, stored, or issued for the Army which have not become real property. They are further classified as:

(1) Expendable items ("X"). Items regardless of type classification or unit price which are consumed in use. This includes all class IX repair

parts; and items not consumed in use with a unit price of \$50 or less, and are not otherwise coded "N" or "D" in the Army Master Data File.

(2) Nonexpendable items ("N"). Items which are not consumed in use, retain their original identity during the period of use, and require that accountability be maintained throughout the life of the item. These include all nonconsumable end items authorized by MTOEs, joint table of allowance, TDAs, CTAs (except CTAs 50-970/8-100 and The Ammunition Management System authorization documents) or other authorization documents listed in paragraph 2-1, AR 310-34. These items are coded "N" in the Army Master Data File. Commercial and fabricated items similar to items coded "N" in the Army Master Data File are considered nonexpendable.

c. Organizational and unit level. Supplies at the organizational and unit level are broken down into six separate types for accounting purposes as follows:

(1) Organization property. Any property issued under authority of MTOE, deployable TDAs, and CTA items of equipment that are mission related. This class of property will normally accompany the organization during deployment and should not be confused with other installation property that will not accompany a deploying unit.

(2) Installation property. Equipment and supplies, except organization property, authorized in Army published authorization media for use by units, organizations, and personnel while stationed at an installation.

(3) Expendable property. See b(1) above.

(4) Personal clothing. This is the clothing initially provided to every enlisted man as a free issue or which is purchased by an individual. Policies regarding the issue and sale of personal clothing are contained in AR 700-84.

(5) (Durable "D"). Items which are not consumed in use retain their original identity but are not categorized as nonexpendable or expendable. These are coded "D" in the Army Master Data File, and include nonconsumable components of sets, kits, outfits, and assemblages; all tools (Federal Supply Classes 5110, 5120, 5130, 5133, 5136, 5140, 5180, 5210, 5220, and 5280); and any other nonconsumable item with a unit price in excess of \$50 not otherwise coded nonexpendable. Commercial and fabricated items similar to items coded "D" in the Army Master File are considered durable.

(6) Capital property (fixed assets). Capital property consists of real property, installed building equipment, and nonexpendable supplies (capital (plant) equipment and other equipment) which is classified nonexpendable in any Army supply manual or has the value of \$200 or more per item and are not issued to TOE/TDA units to be accounted for on an organization's property book in accordance with AR 710-2.

(a) Capital (plant) equipment. Capital (plant) equipment is personal property of a capital nature consisting of machinery, equipment, furniture, vehicles, machine tools, and other production equipment, used or capable of use in the manufacture of supplies, or in the performance of services, or for any administrative or general plant purposes. See appendix B, Federal Acquisition Regulation (FAR).

(b) Installed building equipment (personal property).

1 Those items of accessory equipment and furnishings, including materials for installations thereof, which are required for operation and affixed as a part of the building or facility, such as fixed overhead crane runways; elevators; lavatories; plumbing, heating, ventilating, cooling, electrical, and sprinkler systems; communications systems less headsets; hot water heaters; garbage disposals; built-in furniture; and window-type air-conditioning units installed in such a manner that removal would require reconstruction of the realty. See AR 420-17 and paragraph 3-2c, AR 735-72.

2 Also includes fixed line-protection systems, laboratory counters cabinets, and similar fixed equipment required to make the facility useable and are affixed as a permanent part of the structure.

(c) Equipment in place (personal property). Consists of capital (plant) equipment, including supplies which do not meet the criteria of "capital property" but cannot be classified as "expendable" or "durable" of a mobile nature which has been fixed in place of attached to real property but which

may be severed or

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removed from buildings without destroying the usefulness of the structures. It does not include installed building equipment.

13-4. Property books

Section 401 of Public Law 81-216, requires that property records be maintained on both a quantitative and a monetary basis. The implementation of this section of Public Law has resulted in establishment of formal accountability at the installation level. The installation finance and accounting office maintains monetary accounts by using financial inventory accounting procedures and item accounting (stock record account) records maintained by the installation accountable property officer. These records are maintained on prescribed forms and show, by item, the receipt and disposal of property, the balance on hand, and other identifying or stock control data. The records may be maintained manually or by automatic data processing (ADP) equipment. The units have informal accountability and responsibility, and maintain records of all nonexpendable property on hand by line item. This record is maintained on Department of the Army (DA) Form 3328, Property Record, and Form 3329, Installation Property Record, and is called an organizational or installation property book.

13-5. Reporting requirements

To obtain manageable and meaningful supply data upon which to base decisions, the Army uses various reports with the two methods of reporting (quantitative reporting on a selective item basis and summary dollar reporting by materiel categories) discussed below serving as examples.

a. The Army Unit, Organization, and Activity Equipment Status Reporting System. The Army Unit, Organization, and Activity Equipment Status Reporting System is designed to have available for all echelons of command and logistics management, timely and accurate quantitative equipment status data for selected items on hand in a unit or organization. The items selected for reporting include major end items authorized by MTOEs and TDAs, and selected secondary items for which managerial control is mandatory to insure combat readiness of the field army.

b. Summary dollar reporting. Summary dollar reporting (low-dollar value items) is accomplished through use of financial inventory accounting procedures. Generally, the items reflected on the records of the installation accountable property officer are priced, divided into meaningful groups called "materiel categories" and the dollar value of each materiel category as reported in summary form.

13-6. Army Unit Readiness Reporting System

a. The Army Unit Readiness Reporting System applies to all Active Army and Reserve component units which are organized under TOEs, except those specifically exempted. The system permits DA to:

- (1) Determine Army and command readiness conditions and trends.
- (2) Identify those readiness problems which require resolution at the department level.
- (3) Provide information to assist in making optimum distribution of actual and programmed resources.
- (4) Provide information to support requests for additional resources

from the Secretary of Defense.

b. All organizations under the Army Unit Readiness Reporting System prepare

unit readiness reports. The objectives of unit readiness reporting are to insure that in each unit: authorized personnel with the required skills are ready for duty; authorized equipment is on hand and maintained in operational condition; needed supplies are on hand; the state of training will permit accomplishment of the mission stated in the unit's authorization document.

c. Each commander determines the operational readiness of his unit based upon his knowledge of conditions within his unit. AR 220-1 prescribes the criteria for determining the readiness condition of units. The unit readiness report provides the unit commander and higher commanders and staffs with a means of identifying potential personnel, training, and logistics problems where command emphasis is required and corrective action is indicated.

13-7. Readiness goals

The ultimate goal of a unit is to obtain that degree of readiness needed to perform its unrestricted mission as stated in its TOE. Resource constraints often require units to be organized at levels lower than full strength. This lower level represents a percentage of the full strength authorizations for personnel. Equipment resources are specified by item for each level of organization. This level is known as the unit's authorized level of organization. The readiness goal which a unit is expected to attain is, therefore, that which matches its authorized level of organization.

13-8. Logistics readiness

For readiness reporting under AR 220-1, logistics readiness is measured in terms of two indicators-equipment on hand and equipment status. Equipment on hand depicts the organization's logistics readiness with respect to the availability of designated reportable items of equipment required to perform its mission. Equipment status depicts the organization's logistics readiness

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with respect to condition of designated reportable items of equipment. The overall logistics readiness condition of an organization is generally determined by the lower rate of these two indicators.

a. The equipment onhand rating is determined by a three-step procedure. First, the commander identifies from the list of items prescribed for readiness reporting by all units Army-wide those items on which he must report. He then determines the ratio of reportable assets on hand to recognized requirements by lines. A line is several like items of equipment; i.e., all tanks are one line, all rifles are one line, and all radios are one line. The equipment onhand rating is then determined using the criteria specified in AR 220-1 for this purpose. Some units have pacing items; e.g., tanks, helicopters, missiles. Ratings can be no higher than that achieved by pacing item. There are also pacing items in the secondary item area which are those parts or components without which a major piece of equipment will not operate.

b. The equipment status rating is determined in several steps. The commander determines what items are reportable. He then determines the possible days that each reportable category may be in use. A computation is made of the days equipment was available and computes a percent for available days versus possible days. He then determines rating under AR 220-1 guidance.

13-9. Readiness categories

Unit readiness condition is determined by applying prescribed indicators and other criteria against assigned levels and goals as described below:

a. Readiness condition. Readiness condition is the actual degree of read-

iness of a unit at a particular time. This degree of readiness is submitted in the unit's readiness report. In order that the readiness condition is measured accurately and uniformly throughout the Army, common factors in the areas of personnel, training, and logistics have been prescribed as readiness indicators. AR 220-1 lists the following criteria for determining unit readiness condition:

(1) Readiness condition C1 indicates that a unit is fully ready and capable of performing the complete mission for which organized or designed.

(2) Readiness condition C2 indicates that a unit is substantially ready and capable of performing its mission, but has minor deficiencies which reduce its ability to conduct sustained operations.

(3) Readiness condition C3 indicates that a unit is marginally ready and has deficiencies of such magnitude as to limit severely its performance capability, but is capable nonetheless of conducting limited operations for a limited period.

(4) Readiness condition C4 indicates that a unit is not ready and is not capable of performing the mission for which it is organized or designed.

b. Authorized level of organization. The numbered level (1, 2, 3, or 4) is specified in the general order directing organization of a particular unit and is based on a given percentage of the total quantities listed in the TOE, which is applicable to the unit being organized. HQDA may, in exceptional circumstances, approve an unbalanced organization in which the authorized level of equipment will differ. The lower of the two levels of organization will be the unit readiness level which is considered supportable with a matching readiness condition.

13-10. Logistics readiness conditions

a. The logistics readiness of an organization is expressed in terms of equipment on hand and equipment status. For guided missile units, missile system availability is used to convey the average availability of such equipment during the period covered by the report.

b. Criteria for determining the equipment onhand indicator is based upon 90 percent of the reportable lines, required for mission performance, at or above a specified percentage of fill. Equipment onhand criteria for the four readiness conditions are:

(1) Readiness condition C1-Not less than 90 percent of reportable lines at or above a 90-percent fill and pacing items at or above a 90-percent fill.

(2) Readiness condition C2-Not less than 90 percent of reportable lines at or above the 80-percent fill and pacing items at or above the 80-percent fill.

(3) Readiness condition C3-Not less than 90 percent of reportable lines at or above the 70-percent fill and pacing items at or above the 70-percent fill.

(4) Readiness condition C4-Less than 90 percent of reportable lines at less than a 70-percent fill and pacing items at or less than a 70-percent fill.

c. Weighted criteria apply for reportable lines where nine items or less are authorized.

d. Criteria for determining the equipment status indicator is based upon the percentage of reportable items of equipment on hand and classified as READY. Equipment status criteria for the four readiness conditions are:

(1) Readiness condition C1-Average operationally ready rate equals or exceeds 90 percent. Pacing items operationally ready rate must be 90 percent.

(2) Readiness condition C2-Average operationally ready rate equals or exceeds 80 percent. Pacing items operationally ready rate between 80 and 89 percent.

(3) Readiness condition C3-Average operationally ready rate equals or exceeds 70 percent. Pacing items operationally ready rate between 70 and 79 percent.

(4) Readiness condition C4-Over 30 percent of

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reportable equipment inoperable. Pacing items operationally ready rate less than 70 percent.

(The Army goal is for all units to achieve readiness condition C1 regardless of assigned authorized level of organization.)

13-11. Spares and repair parts, special tools, and test equipment selection

Spares and repair parts, special tools, test and support equipment are selected from the provisioning list of all replaceable parts and special tools for the major end items by determining those which are required in the performance of maintenance allocation chart prepared as the result of the maintenance evaluation made of the specific end item and its assemblies and components. The maintenance evaluation includes consideration of:

a. Manufacturer's experience, engineering data, developmental and operational test data, and experience with similar type items.

b. The most efficient form of spares and repair parts to be used for each level of maintenance; e.g., individual pieces, bulk materiel, assemblies, components, and kits of parts for specific repair operations. The Army continuously refines the selection of spares and repair parts, using data from all available sources including user experience, consumption data, failure reports, equipment improvement reports, post provisioning reviews, sample data collected programs, and The Army Maintenance Management System statistical sampling.

13-12. Maintenance allocation

To provide uniformity in maintenance planning and as a basis for selection of spares and repair parts and maintenance coding, a maintenance allocation chart is prepared by the Army activity having the maintenance responsibility. The maintenance allocation chart shows by functional description the maintenance operations assigned to each level of maintenance. Consideration is given to the level of maintenance and supply support provided; the complexity of the repair operation on the specific major end item; the availability of tools, test and support equipment, skills, and facilities; the capability to store and transport authorized spares and repair parts, tools, test and support equipment; and the time required to effect repairs under combat conditions. Repair operations assigned to organizational level generally do not require more than 8 man-hours, including disassembly, assembly, and supplementary repair operations required to be done, normally, at the same time. The direct support category usually receives assignments requiring less than 8 days or 100 man-hours. The general support category normally is limited to operations requiring less than 30 days (including leadtime for spares and repair parts) and less than 400 man-hours labor to return any end item to serviceability.

13-13. Determination of allowances

Spares and repair parts, special tools, and test equipment selected in accordance with the maintenance evaluation criteria are allocated to the appropriate categories of maintenance based on maintenance functions assigned in the detailed maintenance allocation chart. The availability of tools, test and support equipment, skills, facilities, and time is assumed to increase for each higher category of maintenance. The spares and repair parts allocated to each category of maintenance includes those items allocated to all lower categories of maintenance.

13-14. Maintenance factor for spares and repair parts

Maintenance factors for spares and repair parts are based on anticipated replacement rates. Maintenance factors on new items or items having new application, are initially estimated using all available data (e.g., manufacturer's recommendations; results from engineering, developmental, and operational tests; and the reports of failure data on other items having similar application). Maintenance factors are continually being refined by analyzing data collected from all available sources such as failure data reports, supply experience, data developed under the Army Field Stock Control System, user experience, equipment improvement recommendations, feedback data from The Army Maintenance Management System, etc.

13-15. Allowance quantity

Allowance quantities are computed for each spare or repair part allocated for use at each category of maintenance. The computation is in accordance with Department of Defense (DOD) Instruction 4140.42, and is based on the maintenance factor assigned to the spares or repair parts and on the density of the end items. This computed quantity represents the number of repair parts necessary to fill the supply system and to provide adequate support for the specific weapon system or end item over an initial period of service. It is recognized that a maintenance factor is an "average" factor, and that the factor can be used to accurately forecast usage only when end item density is large enough to provide statistical certainty. Therefore, for those categories of maintenance which are supporting relatively few end items, special modeling techniques are used to improve system/end item readiness.

13-16. Repair parts and special tools lists

Repair parts and special tools lists, listing and illustrating all spares and repair parts authorized for use or required to be removed or disassembled during maintenance operations, are prepared for each

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weapon system or end item. These lists indicate the range of items authorized for requisition and show the lowest maintenance category where they may be used.

13-17. Revision of repair parts and special tools lists

The range of spares and repair parts, tools, test and support equipment listed in repair parts and special tools list are reviewed on a scheduled basis, and maintained current and adequate to meet the requirements of using and supporting organizations. Changes to the range of spares and repair parts, tools, test and support equipment are based upon all available data, including demand data and The Army Maintenance Management System data. Changes are made when it is determined that a proposed change or revision will increase the supply and maintenance effectiveness and improve the materiel readiness posture.

Section II

Equipment Authorization and Control, US Navy

13-18. Introduction

a. All Navy ships carry material on board in order to be as self-sufficient as possible. The range of these stocks is tailored to the individual ship and is based on the ship's full type, installed equipments, relative military essentiality of the ship's systems, and composition and size of the crew.

The categories of material carried include equipment-related spares and repair parts, general-purpose industrial material, consumables, medical and dental material, clothing, personal items, food, fuel, ammunition, and such portable equipment as is necessary for the ship's operation.

b. These items are specified in various individual allowance lists for each ship and type of aircraft. The magnitude of those lists can be presented graphically: The items in them support about 160,000 equipments and components. Moreover, every one of the Navy's 550 ships is, to a varying extent, unique. Each differs from all others in certain installed equipments and repair parts. For example, 26.8 percent of the 160,000 total number of installed components are installed on only one ship. Sixty-five percent is installed on five ships or less, while only 2 percent is installed in all 550 ships of the Navy.

c. The range of quantity of supplies—that is, those specific items and the number of each which should be carried aboard ship—are computed to achieve the average endurance prescribed by the Chief of Naval Operations except in the case of small nonself-sustaining ships. The ship's allowance list provides for low-demand items—spares and repair parts for which demand cannot be accurately predicted, but without which the ship's mission could not be accomplished.

d. Ship's allowances are revised on an equipment basis as experience dictates, but the major revision or updating of the allowance list takes place during the time the ship is undergoing overhaul.

e. For the operating forces, the provisioning cycle results in the preparation of the unit allowance list. Each ship or aircraft squadron is furnished an allowance list of repair parts for each equipment installed on aircraft to be supported, and various categories of operating supplies. Equipment/component allowance lists are built on the basis of filling 90 percent of the demands on board for 90 days and providing selected insurance items vital to the support of the primary mission of ship or unit, or vital to the safety and welfare of personnel on board ship.

f. The allowance lists, called Coordinated Shipboard Allowance Lists and Aviation Consolidated Allowance Lists, are developed by considering how many times and in how many equipments an item is used, applying essentiality and replacement factors, and computing a final reduced requirement to support all applications. The Coordinated Shipboard Allowance Lists and Aviation Consolidated Allowance Lists insure that the support given an operating unit will be adequate for specified endurance periods.

13-19. Initial allowance list

a. Determination of the initial onboard repair parts requirements for new construction or major conversion of ships is one of the primary outputs from the provisioning process. These requirements are expressed in terms of a Coordinated Shipboard Allowance List, which defines by specific item the repair parts required to support both individual components and the ship as a whole; the special tools which will be required; and any additional special test or support equipment required for shipboard maintenance.

b. The logistics support doctrine governing the requirements for onboard repair parts is the responsibility of the Chief of Naval Operations. Current doctrine, in summary, is:

(1) Parts must be within the capability of the ship to install. Trained personnel, special tools and facilities availability, maintenance instructions, and the economics of supplying parts and components are considered.

(2) For demand-based items (items having a predicted usage on board ship of at least one in 90 days), provide a 90-percent probability of filling total demand for an item in a 90-day operating period. Demand is based on combat consumption rates wherever such rates can be ascertained.

(3) For low-demand items (items having a predicted demand of less than one unit in 90 days), include only those items which: Are essential to the support of

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a primary mission of a ship or are essential to the safety and welfare of shipboard personnel; and have an expected usage greater than .25 units per annum (exceptions: items with usage less than .25 units/annum will be stocked if required to support an approved planned preventive maintenance schedule).

c. Qualifying low-demand items will be stocked in minimum onboard quantity (either one or minimum replacement unit).

13-20. Allowance list preparation

a. The inventory control points (ICP), through automated files and procedures, assemble the various data inputs, compute the onboard repair parts requirements, and publish the Coordinated Shipboard Allowance Lists. A Coordinated Shipboard Allowance List consists of three basic parts:

(1) Part I, an index of equipments, components, and equipage tailored to a specific ship.

(2) Part II, allowance parts lists or allowance equipage lists for applicable equipments, components, and equipage.

(3) Part III, a stock number sequence list for all onboard repair parts and equipage listed in the allowance parts lists/allowance equipage lists of part II to support the equipment appearing in part I.

b. The allowance parts list is a document prepared for an equipment or component provisioned and maintained as a unit that serves one or both of the following uses, depending on the circumstances:

(1) A national stock number (NSN) finder. The major means available to a technician for relating the reference numbers used by the equipment/component manufacturers for item identification purposes to the NSNs by which those same or equivalent items are identified in the military supply systems.

(2) A statement of onboard repair parts required for a single equipment or component. (When furnished as part of an updated Coordinated Shipboard Allowance List, the allowance parts list does not contain allowance quantities; the user is referred instead to the Coordinated Shipboard Allowance stock number sequence list, which contains allowance quantities based on summarized part populations of all equipments/components installed on the ship or at the station).

c. The stock number sequence list defines the quantity of items that are allowed on board.

d. The allowance list index contains a complete list of all installed components with allowance parts list number, the quantity installed, and the shipboard systems or service application in which the component is used.

e. A typical Coordinated Shipboard Allowance List for a nuclear submarine contains approximately 10,000 storeroom items, a guided missile frigate 17,000 storeroom items, and an attack carrier 27,000 storeroom items. The values of these inventories range from \$3 million for a submarine to over \$7 million for a carrier. Over 50 percent of the ADP machine capacity at the ICPs is used to maintain the technical data files and produce allowance documents.

13-21. Allowance list maintenance

a. Once an allowance list has been published, there is a continuing requirement for keeping the list up to date. Allowance lists can change as a result of ship alterations, modifications in installed equipments, equipment design changes, changes in the maintenance plan, analysis of demand or usage data, and stock number changes.

b. The ICP data files from which allowance lists are prepared are progressively maintained by overlaying or adding new data into the record as it is

developed. Ship's allowance lists are completely updated incident to overhaul in conjunction with the Supply Operations Assistance Program.

13-22. Allowance list improvements

There are several initiatives underway for improved allowance lists. Specifically, three programs, the Modified Fleet Logistics Support Improvement Program (MOD-FLSIP), the Maintenance Criticality Oriented (MCO) Coordinated Shipboard Allowance List (COSBAL) Program, and the Operational Availability (Ao) Allowance Computational Model, are currently under development. A brief discussion of each follows.

a. MOD-FLSIP. Essentially, there are two important differences between the MOD-FLSIP and the current FLSIP—first, a more complex essentiality coding system and second, a wider support requirements spread between essential and insurance items. The MOD-FLSIP provides a coding system which differentiates between primary and secondary systems. For primary systems, a usage probability equal to or greater than .10 per annum is used in computing the repair parts/spares requirements. For secondary systems, a usage probability equal to or greater than .25 per annum is used. Although criticality coding of all component applications is not yet complete, implementation of the MOD-FLSIP began in October 1982 with the publication of all COSBALs that would otherwise be FLSIP only.

b. MCO COSAL. The MCO COSAL Program uses a computational model designed to provide a higher range of support for critical support items yet stay within the dollar constraints of the MOD-FLSIP model computation for the same configuration. In addition, the MCO COSAL Program uses unique tailored APLs which provide for a complete replacement of failed as-

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semblies and modules instead of bit-and-piece support. Implementation of the MCO COSAL Program begins with publication of the FFG-36 load COSAL. This program is currently confined to FFG-type ships.

c. Ao. The Ao Program is designed to provide an extra measure of support for critical equipments which would not qualify for such under other standard programs. Special approval by OPNAV is required for each specific application of the Ao model. Also, periodic recertification of the need for the Ao support is required.

13-23. Supply Operations Assistance Program

a. The Navy's Supply Operations Assistance Program was established to increase the self-sufficiency of ships for long periods of deployment by improving their supply readiness. The program is designed to insure that a ship's stock of repair parts and other technical materials are on board in the range, depth, and condition needed to support the ship's equipment.

b. The need for such a program was caused by the growing complexity of shipboard systems and equipments, which escalated problems. A ship's allowance list, identifying the thousands of items to be carried, is changed when the ship is overhauled and refitted with new equipment.

c. The Supply Operations Assistance Program allowance update is accomplished by teams under the direction of COMNAVLOGPAC and COMNAVSURFLANT and augmented by the ship's crew. The process begins prior to overhaul with a validation conducted by the ship's force and/or a special civilian validation team. The validation results, plus projected configuration changes planned by NAVSEA, are used by the ICP to update the ship's file. A new allowance list is published at the start of overhaul. The Supply Operations Assistance Program teams physically process the new allowances during overhaul.

d. During the overhaul period, the ship also receives an overhaul of supply

records and stocks; this is the heart of the Supply Operations Assistance Program. A team made of one officer and several highly qualified chief petty officers and civilian technicians assist ship's personnel in the supply overhaul. In general, the following is accomplished during the overhaul period:

(1) The ship's Allowance List Equipment Index is updated to reflect new equipment installations.

(2) The ship's inventory of repair parts is offloaded to a warehouse, identified, counted, repackaged, and reprocessed, and the physical inventory count recorded on electric accounting machine cards.

(3) The physical inventory is compared to the allowance list by computer; shortages and excesses are computed; requisitions, invoices, and updated stock record boards are provided as an output of the computer.

(4) Storage material is provided and excess material offloaded; the adjusted stocks of material are restowed aboard the ship.

(5) The ship's stocks, upon completion of the supply overhaul, are the proper range and depth to support the ship's new equipment configuration.

e. Approximately 100 ships are overhauled annually. A total of about \$50 million of inventory is removed, screened, and neatly restowed on board. Excess material is redistributed to other ships or returned to the supply system. The cost of the program has been repaid several times through this recovery and redistribution, and through the increased operational readiness of the fleet. The computer, which automatically prepunches requisitions, invoices, and ship's stock record cards, saves thousands of man-hours of labor formerly required.

f. Processing of the allowance results in a complete purification of on-board allowance material and the application of the individual ship's demand data for the past 2 years to further update the allowance. The overhaul activities advise the ICP when scheduled equipment installations are modified in order to keep the ICP files accurate. When changes occur between overhauls, the ship is the only source of accurate data available. Therefore, it is incumbent upon the ship to notify the ICPs when changes take place. The ICPs then update their files and send the ship an Allowance Parts List for the individual equipments involved.

g. Changes in equipment hardware normally are treated the same as new equipments as far as provisioning and allowance list development are concerned. If all equipments of a definitive nomenclature are revised, then all allowance lists for that equipment are revised accordingly. If only a portion of the equipments is revised, then the ICP must tailor the equipment allowance. In either case, the new allowance list is distributed to the ship, along with instructions on how to order deficiencies.

h. Changes in the maintenance plan that affect allowances could result from design changes, reprovisioning, analysis of usage or demand data, or recommendations from the customer. Usage data are currently being employed by the ICPs to identify repetitively used parts not included in allowance lists. These instances are referred to the material systems commands where a decision is made whether the maintenance plan should be revised or equipment design changed. These decisions are then reflected in allowance list revisions. In all cases, the material systems commands control the maintenance plan and communicate this plan to the ICP through revisions to the source, maintenance, and recoverability codes assigned during provisioning. When individual equipment allowance lists are revised because of a change in the main-

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tenance plan, new allowance lists are also distributed and processed.

13-24. Integrated Logistics Overhaul (ILO) Program

The ILO concept was developed to provide improved maintenance support to the fleet. The ILO Program incorporates the Supply Operations Assistance Program plus configuration status analysis and COSAL quality assurance, planned maintenance system analysis, technical manual analysis, and a training program in use of the COSAL. Basically, the ILO Program is an extension of the Supply Operations Assistance Program, with emphasis on auditing and correcting all logistics support for each ship undergoing overhaul. Eventually, as each Supply Operations Assistance Program team staffing and facilities are upgraded to accommodate ILOs, the current Supply Operations Assistance Program teams and sites will be redesignated as ILO teams and sites.

13-25. Aviation allowance lists

The Aviation Consolidated Allowance List is a list of aircraft materials, both reparable and consumable, stated in quantities that will satisfy predicted requirements for maintenance of a specified mix of aircraft for a predetermined period of time. Listed quantities for reparable items constitute firm stockage objectives, while quantities for consumable items are recommended objectives.

13-26. Allowance Requirements Registers

The building blocks for constructing the Aviation Consolidated Allowance Lists are the Allowance Requirements Registers prepared by the Aviation Supply Office. The Allowance Requirements Register is a list of quantities of major components, subassemblies, and parts estimated to be required for maintenance support of designated weapon systems and subsystems for a 90-day period. The quantities of parts and subassemblies listed in the various Allowance Requirements Registers are based upon the Chief of Naval Operations Logistics doctrine, and the recommendations of the aviation supply office, employing usage data and recommendations of the operating forces.

13-27. Aviation Consolidated Allowance Lists preparation

a. Aviation Consolidated Allowance Lists are prepared by the aviation supply of fire for all carrier attack/carrier, surface/carrier, training/landing, amphibious attack/landing, amphibious helicopter ships, including Marine air groups, with data processing capability. Aviation Consolidated Allowance Lists for activities other than the above ships are prepared by of fires under the immediate direction of the fleet-type commanders. Preparation by the aviation supply office is summarized below:

(1) The type commander forwards a letter to the aviation supply office directing the preparation of an Aviation Consolidated Allowance List for a specific ship, specifying the type and number of aircraft to be supported and the number of flying hours anticipated. The aviation supply office then selects the applicable portions from the relevant Allowance Requirements Register and prepares a preliminary Aviation Consolidated List. About 160 different Allowance Requirements Register and approximately 60,000 line items may be included in the preliminary list for a carrier attack ship.

(2) After the computation of the preliminary list from the relevant Allowance Requirements Register is completed, the aviation supply office compares the results to the ship's stock usage figures for its last deployment. The higher of the Allowance Requirements Register computations or the ship's usage figures for each NSN is selected as the Aviation Consolidated Allowance List Quantity.

(3) The preliminary list is subjected to a quality review by the type commander and the ship's representatives who add or delete items and adjust quantities based on their judgment and experience. The aviation supply office then incorporates these changes into a final Aviation Consolidated Allowance List.

(4) The aviation supply office then introduces all requisitions for materials on the Aviation Consolidated Allowance List into the supply system or to the cognizant single supply point as applicable. It also forwards the

necessary publications and supply aids to the ship, which then assumes responsibility for followup and monitoring actions and for disposal of excess material.

b. A new Aviation Consolidated Allowance List generally is produced for each deployment, even when there has been no change in aircraft load, because aircraft configuration changes and usage experience frequently invalidates the old list.

13-28. Mobile Logistics Support Forces Load Lists

All load lists are developed from peacetime demand information provided by the active fleet using data collection procedures established by the Chief of Naval Material. Where feasible, peacetime demand is adjusted to reflect combat consumption rates.

13-29. Fleet Issue Requirements List

a. Fleet Issue Requirements Lists are prepared annually by the Naval Ship Parts Control Center, Me-

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chanicsburg, PA. A separate list is prepared for the Atlantic and Pacific Fleets.

b. Fleet Issue Requirements List is constructed to provide resupply support for the total deployed fleet over a 90-day endurance period. The Fleet Issue Requirements List depth is sufficient to satisfy 85 percent of the fleet requisitions. Fleet Issue Requirements Lists may be modified to support new equipments and weapon systems; low-demand items which support critical equipments experiencing significant supply problems; and certain low-demand items stocked in the Fleet Issue Load List in lieu of individual Ship Allowance Lists because of economic considerations. Support augmentation items are approved by the Chief of Naval Operations.

13-30. Fleet Issue Load List

a. Fleet Issue Load Lists reflect the afloat portion of the Fleet Issue Requirements List. Fleet Issue Load Lists are positioned in combat store ships and selected shore activities. The number of Fleet Issue Load Lists is designated by the Chief of Naval Operations.

b. Fleet Issue Load Lists are normally revised annually using the best available demand history. Quarterly adjustments are authorized when requested by the Fleet Commanders in Chief.

13-31. Tender and Repair Ship Load Lists

a. Tender and Repair Ship Load Lists are constructed to support the industrial mission for each tender or repair ship and the resupply mission for submarine tenders. The lists are classified as either "hull-tailored" or "ocean-tailored" based on the degree of maintenance responsibility assigned to each ship. Hull-tailored lists support specific hulls assigned for support to a designated ship. Ocean-tailored load lists support specific hull types, but apply to all tender and repair ships for one fleet.

b. Tender and Repair Ship Load Lists are developed based on the equipment configuration of the supported ships, using demand data collected in accordance with Chief of Naval Material procedures, and reflecting combat consumption rates wherever feasible. They include the following categories of items:

(1) Equipment related items. Required to maintain equipments installed on supported ships.

(2) Industrial-related items. Required to support the maintenance shops on a tender or repair ship.

(3) Resupply material. For submarine tenders to support the resupply of assigned submarines.

c. For the categories of items designated above, the range is determined by the Chief of Naval Operations based upon the degree of commonality of equipment in the hulls to be supported, the estimated average quarterly demand, the maintenance philosophies for specific classes of ships, and the requirements for support of special situations. The depth of material to be stocked is sufficient to satisfy 85 percent of the requisitions for items carried within a 90-day period.

d. Tender and Repair Ship Lists are updated every 3 years unless otherwise requested by the Fleet Commanders in Chief.

13-32. Special Load Lists

Special Load items are developed and designed to satisfy special support requirements specifically directed by the Chief of Naval Operations or the Fleet Commanders in Chief. These Load Lists are prepared by the Navy Ships Parts Control Center.

13-33. Responsibility

Logistics support doctrine is stated by the Chief of Naval Operations. The Commander, Naval Supply Command, acting for the Chief of Naval Material, is responsible for the administration of the Load List program. The Navy Ships Parts Control Center coordinates the development, maintenance, and review of Load Lists.

13-34. Special programs

a. The Naval Material Command is supporting a program that will have a profound effect on allowance and Load Lists. This program includes hardware standardization requirements in concept formulation, validation, procurement, production, maintenance, conversion, modernization, and alteration of aviation, ordnance, ship, electronics, construction, and other equipments.

b. The program requires the systems commands to standardize designs with intersystem and intrasystem standardization of components/equipments, to re-use (in new design) existing, suitable components/equipments already supported in depth by the military supply system; to preclude use of limited application and poor performance components/equipments; to exercise configuration control in maintaining component/equipment standardization; to use procurement techniques (multi-year, exception provisions for standardization, two-step procurement) in restraining repair part proliferation; and to effect item entry control in the design selection phase fit material acquisition.

c. Standardization in the design and procurement phases serves to control proliferation, or the multiplicity of makes and models of components/equipments used to serve the same purpose; i.e., functionally the same but having different internal parts. Many such internal parts, which proliferate when the wide variety of potential makes and models is not controlled, are peculiar.

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to specific manufacturers and are difficult to support.

d. Standardization clauses have been placed in all major ship new construction contracts. There are requirements for selection of components/equipments from Standard Components Lists which represent those reliable components currently supported in the active fleet. Standardization of elec-

tronic test equipment is also being pursued to reduce divergent support requirements. Other commodities are scheduled to follow.

e. Savings or cost avoidances in the areas of training, maintenance, overhaul, repair, technical data, quality assurance, reliability, and configuration management are anticipated along with improved operational and readiness potential.

Section III

Equipment Authorization and Control Systems, US Air Force

13-35. Introduction

a. Equipment items (nonexpendable items) are authorized and controlled through a system called the Air Force Equipment Management System. Its five main objectives are to develop allowances for, authorize, account for, report, and determine requirements for equipment items. The system applies to all Air Force commands and installations. The system is under the direction of Air Force Headquarters, with Headquarters, Air Force Logistics Command responsible for implementation and procedural instruction.

b. Tables of allowances are developed and distributed to major commands and bases by Warner-Robins Air Logistics Center. Air Force bases/organizations establish specific equipment authorizations based on applicable tables of allowances. Authorizations and accountable records are maintained on a central Air Force base computer. Authorized items and in-use assets are reported by all Air Force bases to the central Air Force Equipment Data Bank maintained by the Air Force Logistics Command. Those data are then fed to the requirements computation system which produces budget/buy programs, disposal programs, etc.

c. The Air Force Equipment Management System receives its direction through a series of plans and programs originating at the highest levels of management in the Air Force in response to its mission commitments. The task of interpreting the plans and programs into materiel terms is assigned to both the Air Force Logistics Command for overall materiel programs planning, and the major commands for planning the support programs for assigned bases, systems, and missions. Basically, the major commands delegate the task of interpreting the plans and programs into equipment requirement terms to the Command Equipment Management Office. The interpretations are translated into directions for the command's equipment program. The directions can be in the form of forecasted or future requirements for organizations that are programmed to be assigned to the command; projected changes in weapon systems and organizational workloads as a result of those changes; or projected changes or increases in wartime additive missions, not only on the command's own bases but also incurred by the command's activities as on tenants bases of other commands. In the latter instance, and in fact in all intercommand equipment matters, direct communications among the Command Equipment Management Officers is authorized and encouraged.

d. The Command Equipment Management Office maintains a centralized record informational file consisting of all the command's existing and forecasted equipment authorization inventory data records and all of the war reserve materiel equipment records. The centralized file is used to exercise surveillance and control of the command equipment program. The file is also used for accuracy and status correlation of all the separate base equipment record files and for support of the management reports forwarded to the Air Force Logistics Command or Headquarters, US Air Force.

e. The Command Equipment Management Officer, who is usually under the direction of the Deputy Chief of Staff for Logistics or the comparable office at the major commands, has the responsibility of tying together all of the many elements of the command's equipment program. Not only are the materiel aspects of the command's program funneled through the Command Equipment Management Officer, but also the financial information that has great impact on the Air Forces central equipment budget and buy program. The communications link that furnishes management data from the base through the US Air Force Equipment Data Bank to the command equipment management offices is a series of

recurring reports. The Command Equipment Management Officer uses these reports for analysis, comparisons, and corrective actions. The reports also provide the current status fit the authorizations and assets in use by all elements off the particular major command.

f. The Command Equipment Management Officer also functions as the command Equipment Review and Authorization Activity and examines those requests for equipment changes or additions that exceed the base-level approval authority. Not only are the equipment requests screened for adequate mission support, but also to preclude excess authorizations or present the introduction of new and unrelated equipment into the inventory.

g. A field extension of the command Equipment Review and Authorization Activity is accomplished

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through a traveling Command Equipment Management Team. The team, composed of supply personnel and technical specialists, conducts on-the-spot surveys of the command's bases. The objectives of the surveys are to observe the command's equipment actually in use; to examine the impact that mission changes or equipment shortages have on the bases' ability to respond; to determine whether the equipment is properly used; or to direct a reallocation or turn-in if excess property is discovered.

h. A specific byproduct of the Command Equipment Management Team field surveys is the support given to the budget reviews. The requirements that are established on the best technical and military consideration are supported through the teams' field observations of the equipment in use, examination of existing or forecasted deficiencies, changes in missions, and discussions with the operators. The conclusions thus reached lend support and credibility to equipment budgeting statements. Budgetary limitations may preclude the acquisition of all of the equipment that is needed, but, at least, the authorizations are valid and can fend off any challenge. Authenticated by unfilled authorizations are recognized in future budgetary actions.

13-36. The custodian

a. The custodian is a most important element in the Air Force equipment management system. The custodian is one of the personnel assigned to the organization or activity that is using the equipment, and as such, is the "agent" of the commander or supervisor of that organization or activity. As the agent, the custodian represents the commander or supervisor in any dealing with personnel in the equipment management function of base supply. The custodian also assumes property responsibility (not accountability) for the items in use or in place within a particular organization or activity.

b. As the responsible agent, the custodian conducts nominal surveillance over the property and performs periodic "in-use" inventories, either alone or jointly with personnel of the Inventory Section.

c. The appointment of a custodian does not relieve the commander or supervisor of their property responsibilities. In the event the property being used by a particular organization or activity is lost, damaged, or destroyed, and cannot be satisfactorily explained, the commander or supervisor may be held responsible singly or jointly with the custodian.

d. The custodian, as well as any Air Force member having physical possession of public property, has property responsibility, but does not have property accountability. The property accountability is retained by the Chief of Supply whose records are assigned an Air Force equipment account number and are subject to audit.

13-37. Base-level equipment management

At base level, the Customer Support Branch and the personnel assigned to it are responsible to the Chief of Supply for the efficient management of all items included in the nonexpendable equipment items stock record account. The branch carries out the following equipment management responsibilities.

a. Retail Sales Section. The Retail Sales Section operates a centralized onbase issue, storage, and turn-in point for all items authorized to individuals by Air Force specialty code or duty assignment, including common items, special clothing, tools, field equipment, etc. The section maintains files of personal retention items, and custodial receipts for individual clothing and equipment, and for supplemental items of individual issue.

b. The Allowance and Authorization Section. The Allowance and Authorization Section is responsible for the records, management, and control of equipment items managed under the Air Force Equipment Management System. This includes:

(1) Providing technical advice for equipment authorization inventory/data item allowance, authorization, and change requests, and preparing all computer input documents for the transactions concerned with the managed items.

(2) Monitoring physical inventories, audits, and record adjustments for equipment items and insuring the conduct of the inventories and audits on specified dates within established time limits.

(3) Reviewing requests for approval to exceed the maximum repair allowance on vehicles and endorsing to the major command.

(4) Coordinating the command-directed redistribution of vehicles, and furnishing actual disposition information to the Air Force Logistics Command item manager when the vehicle is dropped from the accountable records.

(5) Preparing all issue/turn-in documents for nonexpendable items (except for individual issue items).

(6) Acting as the base Equipment Review and Authorization Activity in the review and evaluation of equipment allowances, authorizations, and minimum level requests. This involves the approval or disapproval of authorization reductions, technical data changes, and authorization changes within applicable allowance documents which indicated a basis of issue (except for items reserved for higher command action).

(7) Maintaining all necessary files of allowance source code lists and documents, summaries of the current configuration of major weapon systems supported, a cross-reference file of allowance source codes applicable to each custody receipt account supported, and all documentation required to effectively manage the equipment items.

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(8) Providing assistance to and acting as the single contact point within supply for unit custodians on matters pertaining to their accounts.

(9) Assisting in the preparation of budget estimates and financial plans for equipment items on which levels are maintained, and scheduling maintenance, repair, or cleaning of equipment items not turned in directly to the repair or cleaning activity by the user.

(10) Initiating computer inputs to add or delete requisition, excess, or shipment exception codes on item records, reviewing machine-prepared notification of requisition, shipment, and excess exceptions, and taking necessary action.

(11) Reviewing all records pertaining to equipment assets, requirements, sources of supply, and requisitioning suspense documents.

13-38. Allowances versus authorizations

a. Air Force allowance documents are made up in the form of tables of allowances. A table of allowances describes the equipment items and the

quantity of each item considered most likely to satisfy the needs of a particular mission, function, or duty of an organization or individual. There are special allowances and lists that are necessary to support peculiar needs, or an interim mission or duty, but most needs are incorporated into a basic applicable table of allowances.

b. A table of allowances provides the necessary allowance source code used in authorization documentation. A table of allowances also serves as a ready reference to guide the selection of proper equipment for the job or mission, and serves as a standardization listing to insure the uniformity of equipment having a similar function. The fact that a custodian may find a particular item of equipment in a table of allowances does not constitute automatic authority to acquire that item.

c. Since a table of allowance reflects mission or individual requirements, it is designed to depict the latest allowances of each. As the mission needs or individual needs change, so also do the tables of allowances. The changes are largely the result of local actions that may request addition, deletion, or modification of any portion of the document to keep the tables of allowances current. After a local determination that a change in a table of allowances is required, a request is forwarded through the Command Equipment Management Office to Warner-Robins Air Logistics Center, or the Air Force Equipment Management System Office where the ultimate decision is made and necessary corrective action taken.

11-39. Equipment review and authorization activity

a. The local initiation of a table of allowances change is through the office of the base Equipment Review and Authorization Activity. However, the primary function of the Equipment Review and Authorization Activity is the determination and establishment of specific authorization for equipment items for the local using activities. Despite the fact that an item of equipment may be listed in an appropriate table of allowances, no requisitioning action to obtain the item is possible until the item is actually authorized or used in specified quantities to specified units, organizations, or activities. This is the proper function of the Equipment Review and Authorization Activity-to sit in review and assess the true equipment needs of an activity or organization.

b. The Equipment Review and Authorization Activity is a committee composed of technical personnel assigned to the Allowance and Authorization Section of the Customer Support Branch. Approval authority is vested in the lowest levels of equipment management and permits wide flexibility of action.

c. The authorization is, in reality, a validated equipment requirement for a specific item or quantity of items to be used by a specified activity or organization. The authorization deals in specifics rather than in the generalities of the table of allowances. The base equipment Review and Authorization Activity determinations are guided largely by the tables of allowances, but there are some justifiable circumstances that permit the authorization of items not listed in a table of allowances. These special authorizations are usually beyond the jurisdiction of base-level approval and are, therefore, referred to higher management levels for resolution.

d. Once the approved item is documented, an authorization in-use detail card is prepared for input to the computer to authenticate the item authorization and start the process of local management of the item. The detail record actually states combined use and location status of the item.

e. The mandate of the Equipment Review and Authorization Activity is to satisfy the equipment needs of each organization, individual mission, or duty; however, the mandate further stipulates that items can be authorized only to the degree that the authorizations are valid, and these must be tailored to the known and justified needs of the organization or individual.

13-40. Reports

As in all management systems, the Air Force Equipment Management System is joined and linked together by a system of reports. The reports, provided on

a recurring schedule, are used by all levels of management for accounting, authorization, budgeting, or reallocation of resources. The ability of the Air Force Equipment Management System to respond efficiently is directly related to the accuracy and currency of the reports.

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13-41. Air Force Logistics Command responsibility

Headquarters, Air Force Logistics Command has the responsibility for the overall Air Force Equipment Management System operation. The allowances are designated and are published at this level, the authorizations are reviewed, and the reports generated at the lower levels are used to determine the requirements and support the budget and buy program.

Section IV

Equipment Authorization and Control Systems, US Marine Corps

13-42. Supporting establishment

This generic title includes all posts, camps, and stations, constituting collectively the "non-Fleet Marine Force" activities of the Marine Corps. For these organizations, there are, with minor exceptions, no allowances established above the base level. Equipment and supplies are acquired on the basis of need, within overall budgetary limitations. Allowances are established at Marine Corps Headquarters level for commercial motor vehicles and materials handling equipment, weapons, individual clothing, and publications. All bases perform plant accounting and property accounting under uniform policy and procedures promulgated by Marine Corps Headquarters.

13-43. Fleet Marine Forces

a. The unique role of the Marine Corps requires the highest degree of mobility and self-sufficiency. Equipment authorization and control is, therefore, the subject of detailed policy and procedures by Marine Corps Headquarters and uniformly applied throughout the Fleet Marine Forces no matter where located. The organized Marine Corps Reserve is structured precisely like the active division/wing teams, and operates under similar supply philosophy and procedures.

b. The Commandant prescribes standard tables of equipment as the principal methods of allowance control. Provisional tables of equipment are developed as required for a particular operation or environment. Materiel needed only under certain operating conditions, such as field fortification equipment or extreme cold weather gear, are not normally carried by the Fleet Marine Forces, but are available to them on an "as-required" basis. Guidance for repair parts stockage is provided in the Marine Corps Stock List. Consumable items are stocked on the basis of actual usage history, under stock level formulas prescribed by Marine Corps Headquarters. Initial stockage of repair parts is governed largely by the range and depth of provisioning by the ICP, after which actual usage history becomes the basis for maintaining stock levels. Marine Corps Headquarters prescribes standard accounting procedures and standard organic supply management procedures, including standard methods of computing stock levels at the using and combat support levels. Under these standard procedures, the unit commander is responsible for asset control. Through the supply officer or property control officer, the unit commander maintains a supply readiness posture by operating within authorized allowances accounting for all resources, including consumables, and safeguarding resources through scheduled maintenance and physical security.

c. Fleet Marine Force commanders are required to submit recommendations for

allowance changes to the Commandant of the Marine Corps; thus, allowances are viable and under constant surveillance.

d. Specialized equipment authorization and control systems supplement the foregoing. Maintenance floats and critical low-density floats are pools of secondary items available for direct exchange by units. Operational readiness floats are used to enhance combat readiness by providing replacement items for unserviceable, reparable end items which cannot be repaired in time to meet an operational commitment.

e. The Commandant has established a control system to determine the status of equipment readiness throughout the Fleet Marine Forces. This is the Marine Corps Integrated Maintenance Management System. When force commanders identify supply deficiencies which seriously impair combat readiness, the requisitions under which they failed to receive responsive supply are identified, in a format suitable for ADP. These are each identified to the "last known holder." "When the "last known holder" is within the Fleet Marine Force, the force commander takes necessary expediting action. When the "last known holder" is the Marine Corps "stores" systems, the ICP is provided the documentation of the requisitions and undertakes as a top priority effort the fulfillment of those requisitions, advising the Deputy Chief of Staff for Installations and Logistics and affected commands of progress in each instance.

f. While the Fleet Marine Force is in garrison at a major Marine Corps base where a direct support stock control activity is located, it can obtain common supplies through informal procedures at self-service centers operated by the base. No allowance controls are exercised by the base in making such sales; the only control is to identify the purchaser as being an authorized customer.

g. At the ICP, all items regularly stocked, except for ammunition, are identified by an NSN and listed in one master inventory file in a single integrated computer system (assets in the direct support stock control subsystem are carried by dollar value only). There are in-

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interchangeability and substitutability data covering the complete range of items, and the absolute elimination of duplicate efforts. The total visibility of assets in the stores system provided by this technique prevents procurement of duplicate stocks and permits complete control of the disposition of excesses within the Marine Corps. The ICP participates in the DOD Item Entry Control Program.

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Chapter 14

Provisioning in the Department of Defense

Section I

The Provisioning Process

14-1. Introduction

a. Provisioning is one of the most important logistics processes. Broadly defined, provisioning means laying-in an adequate supply of materiel, when and where needed and within monetary constraints, to support a weapon system or end item of equipment during its initial period of operation.

b. It is during provisioning that decisions are made which can materially affect the ability of the military services to support their operational systems.

c. These decisions vitally affect our national economy in that many millions of dollars are spent annually to initially provision defense requirements. Selecting support items which are not, in fact, required or buying large quantities of these items which prove to be seldom used is a waste of dollars, manpower, materials, and facilities which could have been diverted to more profitable purposes. The Department of Defense (DOD) policy is to acquire needed items competitively unless to do so would be too costly or would substantively degrade our ability to perform the national defense mission.

d. DOD is faced with provisioning for a vast spectrum of end items ranging from small instrument items to complex major items and weapon systems. Equipment heterogeneity, variety of contractors, types of programs involved, geographical development of the equipment, and missions of users add to the difficulty.

e. Provisioning actions require close coordination of efforts between contractors and the Government, and within the Government.

f. Many of the individuals and activities associated with an end item production program become involved in provisioning. This involvement may influence provisioning decisions. Their input affects the provisioning process, or output produced by provisioning influences their functions. The selection and initial distribution of support items concepts must be consistent with maintenance manuals, training programs, facility needs, and storage locations. Data generated and recorded during initial provisioning provide the foundation for many subsequent maintenance and supply actions. The principal objective of provisioning is to insure the availability of minimum initial stocks of support items at using organizations, and at maintenance and supply activities, to sustain the operation of end items until the support items can be normally supplied, and to do this with the least investment.

g. The establishment of the maintenance concept becomes the basis for technical analyses that develop compatible supporting requirements. This includes requirements for repair parts, tools, test and grounding handling equipment, technical skills, maintenance and overhaul handbooks, and the various overhaul facilities. Technical decisions control the completeness and integrity of the initial maintenance support program and the millions of dollars spent each year for this support. Wrong repair decisions, poor estimates of service life, and improper selection and source coding of parts can result in too little support and lead to inoperative equipment. On the other hand, poor decisions can result in excessive support, reflecting needless expenditure of funds for warehousing and disposal.

Section II

Provisioning in the Army

14-2. Introduction

a. Provisioning is the process through which the Army provides initial support items to the forces for newly introduced weapon systems or end items. This includes spares and repair parts, tools, test equipment, training aids, and technical manuals.

b. The Army is confronted with provisioning for a great variety of end items ranging from small arms to complex missile systems, grouped into a number of commodity areas such as electronics, missile, combat vehicle, aircraft, medical, etc.

c. Army (DA) level, from which it is promulgated through the US Army Materiel Command (AMC) to its major subordinate commands (MSC) which manage each particular commodity. Within the MSC, the Initial Materiel Support Office is responsible for coordinating all provisioning activity among the supply, maintenance, development, and cataloging activities.

d. To achieve provisioning objectives, a multitude of interdependent events must occur in a prescribed manner. There is a close relationship between the

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end items and the provisioning programs.

14-3. Planning

- a. The provisioning for each item to be fielded is tailored to the particular circumstances of the fielding: geographical dispersion, combat essentiality, number of items to be supported, military/commercial design etc.
- b. Provisioning planning personnel must enter the program at the earliest stage or development period. Only the most general plans can be made at this time, but as progress occurs and more information becomes available, the plans and requirements become more detailed and formalized. The second major planning pe-

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riod falls during the production precontractual period. Provisioning personnel identify and establish the contractual provisioning requirements to be incorporated into the invitation for bid or the request for proposal. The third planning period is during the postcontractual period which is subsequent to the production contract and includes the Government-industry provisioning planning conference and preparedness reviews. The purpose of the provisioning planning conference is to establish a common understanding between Government and industry by discussing provisioning requirements in detail. Preparedness reviews and reviews of contractor progress are made to insure compliance with the provisioning requirements of the contract.

14-4. Provisioning methods

The Army uses a variety of provisioning methods to select and code repair parts. These methods are divided into four basic classifications. Within each major classification, there are also various adaptations of the basic method. The basic provisioning methods are:

- a. Conference team. Under this concept, a team composed of Government specialists in supply, maintenance, engineering, procurement, cataloging, or other field make periodic visits to the contractor's plant to conduct the provisioning function.
- b. Resident provisioning team. Onsite technical representatives are usually maintenance engineers or technicians stationed at the contractor's facility to review contractor recommendations for repair parts and to perform the selection of items. Their tasks include identifying maintenance significant items; assigning source, maintenance, and recoverability codes; reviewing or assigning maintenance and overhaul factors; and reviewing contractor-prepared technical documentation. Onsite technical representatives are of great help in both the selection process and the monitoring of technical documentation. This method is useful particularly where a system is being provisioned by phases; when the system is being procured under a multi-year contract; when the number of items to be provisioned is large; or when the system may be changed extensively during production. Full-time technical representatives cannot usually be justified for smaller programs.
- c. In-house provisioning. In-house provisioning (sometimes called desk provisioning) is a method in which all actions of selection, coding, allocation, cataloging, computations, and procurement are performed at the Government location. Contractor participation usually is limited, although special contractor representation occasionally is requested. Except for providing documentation, few additional demands are placed on the contractor. In-house provisioning is particularly useful in agencies with provisioning expertise, those who deal extensively with commercial design materiel, or with materiel having relatively few components. Provisioning actions will be coordinated with the contractor.

14-5. Screening

a. Item screening is performed by the contractor or the procuring agency and the Defense Logistics Services Center (DLSC) to eliminate those items which duplicate or are interchangeable with items already in the inventory.

b. At the procuring agency, part numbers are screened against agency files to determine if a national stock number (NSN) exists or to validate those found by the contractor. Part numbers for which no NSNs are found are then screened by DLSC. With the final screening results, the procuring agency can determine which parts are new to the supply system. Item descriptions must be prepared if source codes assigned to the repair parts indicate that they will be stocked, stored, or issued.

14-6. Selection

By selection is meant the identification of spare and repair parts, tools and test equipment, and their assignment to the appropriate level of maintenance in accordance with the maintenance concept for the end item. The Maintenance Allocation Chart is the vehicle used to assign each item to its appropriate maintenance level. Each part is assigned a source, maintenance, and recoverability code, and an essentiality code to describe how it will be obtained, the maintenance level at which it will be repaired or replaced, whether or not it will be repaired, and its essentiality to the operation of the end item. The validity of code assignments is verified during provisioning conferences, maintenance evaluations, operational tests, and service tests.

14-7. Assignment of items to General Services Administration (GSA) or Defense Logistics Agency (DLA)

a. The Army, after selection of the range and quantities of required spares and repair parts, identifies those items managed by GSA or DLA, determines additional items which are to be assigned to them for management, and advises them of the quantities of these items needed for initial provisioning and the projected annual replenishment demand. The system provides that these data and the applicable program data be transmitted on punched cards, along with the necessary technical data on new items. GSA or DLA does the Federal cataloging actions for the new items assigned to and accepted by them, and procures the quantities necessary to support the end items. Also, GSA or DLA may request the Army to furnish data on end items in order

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that the data may be used by other supporting agencies.

b. The Army managers at the Service Item Control Center are the interfacing elements between the Army, GSA, and DLA in initial provisioning providing the information needed to obtain proper support for end items.

14-8. Cataloging

Since all items procured and stocked must be identified, an NSN must be assigned if one does not already exist. This is done by preparation of the item identifications prescribed in Federal Standard No. 5. The NSN distinguishes the item from all other items in the supply system. Since only emergency shipments may be made without an NSN, the submission of item identification data is very important.

14-9. Requirements

a. Computation of requirements is one of the most important steps in the initial provisioning process. Inaccurate computations can lead either to inadequate quantities of parts on hand, which may lead to deadlined equipment; or to excessive quantities, which may mean dollars have been misspent.

b. During initial provisioning' quantitative requirements are computed after the maintenance technicians have selected and source coded the repair parts. Basically, the following three steps are taken to arrive at a "buy" quantity:

(1) Assignment of the failure factor (failure rate). This factor is expressed in failures per 100 end items per year and is assigned on a basis of engineering judgment, test data, historical data on similar items, peacetime vs. wartime failure rates, and geographical area.

(2) Computations of the gross quantity. This is the quantity obtained by applying the failure factor, allowance factor, requirements objective period, and equipment densities.

(3) Adjustment of the gross quantity to the net quantity. This quantity represents the quantity of the repair part to be acquired. It is the gross quantity less quantities on hand, due in or to be recovered.

c. Where possible, phased provisioning is applied to selected spares and repair parts. Phased provisioning is the deferment of quantity procurement of the selected items until the later stages of production. This deferment increases the ability of the provisioning activity to reliably predict requirements. The selected spares and repair parts normally will be high-cost, repairable items. Under phased provisioning, only a portion of the total initial requirements is initially procured. To cover the remainder of the requirements, a buffer stock is maintained in the production inventory of the contractor. The buffer stock may be in a finished, semi finished or raw material form. Demands which exceed the procured quantity are filled from the buffer stock. On a predetermined schedule, the provisioning activity recomputes requirements for the selected repair parts, using the latest inservice experience and test data. The final computation is made early enough to allow for leadtime and the final production run of the end item. This allows the provisioning activity to procure additional quantities from the buffer stock with short delivery leadtime or release the buffer stock to production.

Section III

Provisioning in the Navy

14-10. Organization for provisioning

a. The Chief of Naval Material, under the Chief of Naval Operations, has delegated responsibility for the policies and principles governing provisioning in the Navy to the Naval Supply Systems Command.

b. The systems commands and project managers are responsible for the end results of the provisioning process inasmuch as they have the inherent responsibility for end article support and since the majority of the decisions resulting in individual item selection are based on engineering and maintenance inputs.

c. The Commander, Naval Supply Systems Command, or his agent, the applicable program support inventory control point (ICP), is responsible for business and supply judgment and techniques. These include such matters as the actual procurement of the repair parts selected preparation of initial outfitting allowance load lists; requirements determination rules; furnishing past demand or usage data; mechanized provisioning procedures; cataloging and packaging determinations; recording provisioning information; and the scheduling, coordination, and administration of provisioning meetings.

14-11. Integrated Logistics support

The integration of provisioning with other elements of integrated logistics support is complex. The elements cross many functional and organizational lines ranging from the Office of the Chief of Naval Operations down through the Naval Material Command and the fleet. Because of the life-cycle aspect,

planning for the initial support of equipments and systems begins concurrently with development of performance requirements or at the earliest possible point in time in the conceptual planning phase. Technical and supply personnel at the systems commands and at the JCPs enter the program at its earliest stage. Therefore, the organizations involved provide the program data and support concepts from which the ultimate provisioning decisions are to

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be derived. The Chief of Naval Operations provides basic support doctrine in matters such as allowance lists, mobile logistics support policy, materiel positioning policy, oversee base load requirements, and definitions of the applicable ships, or aircrafts, prime mission. The systems commanders and project managers provide the ICPs with data such as time-phased production and delivery schedules, a maintenance plan description of the equipment, performance requirements, projected equipment usage, number and types of maintenance facilities planned, and the date that supply support is required or, as more commonly termed, the Navy support date.

14-12. The provisioning process

a. The provisioning process begins with release of the Technical Development Plan which is a planning document for fulfillment of a specific operating requirement of the Chief of Naval Operations. The primary feature of this plan, applicable to provisioning, is contained in the supportability plan of the Technical Development Plan, which is a plan for the determination of the range and depth of repair parts, and their method of acquisition and distribution according to the maintenance levels involved. The Technical Development Plan is the responsibility of the material systems commanders or designated project managers procuring the equipment.

b. The next significant step in the provisioning process is the contract award for the equipment, system, or end item. The provisioning specification, which is part of the contract, prescribes the procedures, formats, terms, and conditions governing the provisioning of the items under contract. It specifies the actions to be performed by the contractor and Government activity and time schedules to be met.

c. After contract award, the next significant step is normally a preprovisioning or guidance conference. This conference, attended by representatives of the contractor and the ICP, is held to review the contractual provisioning requirements and to establish firm dates for actions not defined before contract award. Similar meetings may be held to determine long leadtime requirements, to determine if contractor support is required, and to review contractor preparation of required data.

d. The next major milestone is the selection of items required for initial support. The selection is normally made during a conference with representatives from the contractor, the ICP, and the systems commands. Selection includes the assignment of source maintenance, and recoverability codes; determination of item essentiality; assignment of replacement rates or factors; and the development of descriptive data required for assignment of NSNs.

e. After item selection, the ICP determines whether support items will be ordered from the contractor by way of a provisioning item order, from the appropriate inventory manager by way of a supply support request, or through normal replenishment actions for ICP-managed items. The ICP also provides for distribution of material and preparation of allowance lists.

f. At the provisioning conference, engineering drawings, parts lists, and, in some cases, sample equipments are examined in detail to select items required for initial support. This is a joint effort by engineering and maintenance personnel, supply and technical personnel, contractors' representatives, and fleet and repair representatives. The ultimate decision regarding

any item rests with the material systems command representatives. Initial decisions to select or not to select an item are based on the assignment of source, maintenance, and recoverability codes which signify:

(1) Whether an item is to be purchased, manufactured, or assembled within the Navy.

(2) Whether the item is repairable and if so, at what level (organizational, intermediate, depot).

(3) If the next higher assembly is to be purchased.

(4) If the item is available from a commercial source and does not meet the established criteria for centralized management and stockage in the supply system, in which event it will not be stocked.

g. Technical determinations also are made with regard to other factors such as military essentiality, shelf life, maintenance replacement rates, recoverability rates, and failure factors.

h. After completion of the provisioning conference, the ICP completes item technical identification, obtains NSNs, and computes the total supply requirements, including supply system backup. The ICP activity includes preparation of procurement requests, distribution of material, and preparation of allowance factors, load lists, and initial outfitting lists.

14-13. Provisioning screening

Support items selected during the provisioning process are screened against the DLSC records to identify those items which have been previously assigned stock numbers or are in long supply. Either the contractor or the ICP, as specified in the contract, may submit the item descriptive data to DLSC for screening.

14-14. Assignments of items to integrated material managers

After selection of support items, the ICP identifies those items which will be coded for support by integrated material managers and obtains this support by way of a supply support request. Upon receipt, the integrated material manager catalogs the items and procures the necessary support quantity.

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14-15. Provisioning alternatives

a. Increasing complexities in weapons and equipments, and the attendant unstable design in early production stages, can result in deferring Navy support until a sounder base of knowledge, developed in actual operations, is available. For example, when there is a potential for improvement of the design, it may be practical and economical to the Navy for a contractor to provide support for an initial period of service. Under these conditions, requiring activities may use the following techniques:

(1) Contractor support. There are three types of contractor support considered by the requiring activity for application to a particular contract, based upon the guidance received:

(a) Full support. The contractor assumes total responsibility (maintenance, repair of unserviceables, support equipment, support material, and training) for a specified period of time for specified dollars at a specified degree of readiness.

(b) Material support. The contractor provides and manages for a specified period of time for specified dollars at a specified degree of supply effectiveness.

(c) Limited support. The contractor provides sets of repair parts, either parts peculiar or parts common, or both, for maintenance of the equipment for a specified period of time.

(2) Phased provisioning. Between the time the decision to procure is made until the need for repair parts actually arises, numerous changes take place in factors, plans, programs, operational concepts, and configurations over which there is a limited amount of control but an increasing amount of knowledge. This knowledge is used extensively in the phased provisioning technique, in which procurement of all or portions of requirements for selected items is deferred until the system's design is stabilized and operational experience is available. This technique defers procurement of quantities of items that could possibly become obsolete through design changes. Closely associated with the procurement deferral action are the arrangements made with the contractor to increase the inventory of production items to serve as buffer stock for potential requirements during the uncertain periods of initial design and operation.

b. ICP participation during the provisioning process is dependent upon the type of contractor and contract and the commodity involved. For example, the contract may require some degree of contractor support where initial support requirements are provided by the contractor. In such cases, the ICP participation is limited to the identification of stock numbered items and the determination and procurement of system requirements. This procedure is often used for shipbuilding contracts where the Ships Parts Control Center is the program support ICP. Where the ICP is responsible for, determining initial support requirements, consultation and cooperation with the contractor is necessary to identify and procure support requirements. Consultation and cooperation include use of:

(1) Team provisioning. The aviation supply office normally uses the team concept of provisioning. The Ships Parts Control Center usually does not use the team concept of provisioning except for major ordnance and electronics equipments such as Ships Inertial Navigation Systems.

(2) Onsite technical representative. Represents fives are on hand in aircraft factories, shipyards, and in the field near manufacturing sites and plants. They perform as technical advisers on provisioning matters and on other logistics problems.

(3) In-house provisioning. The ICP accomplishes in-house provisioning largely for follow-on yearly procurements of parts for such items as missiles, computer consoles, etc., where the end item design is relatively stable. Modifications to end items of this nature involve approximately 10 percent of the parts.

Section IV Provisioning in the Air Force

14-16. Organization and responsibilities

a. Headquarters, US Air Force establishes the Air Force position on DOD provisioning matters and provides Air Force provisioning policy, guidance, and direction. The Air Force Logistics Command is responsible for developing Air Force provisioning procedures and processes required to implement provisioning policies and achieve DOD provisioning objectives in the most timely and economic manner possible. The Air Force Systems Command is responsible for incorporating appropriate documents related to provisioning in Air Force Systems Command contracts. The Air Force Systems Command also provides the necessary contract administration in support of provisioning responsibilities. Other Air Force commands participate in provisioning actions related to equipment for which the command will have maintenance production responsibilities.

b. In order to insure effective provisioning planning from the beginning of a major system/equipment development effort, the Air Force Acquisition Logistics Division, an Air Force Logistics Command activity, has personnel located at the Air Force Systems Command divisions having development and acquisition responsibility. The Air Force Logistics Command, through its Air Force Acquisition Logistics Division, must work closely with the Air Force Systems Command program office in order to insure appropriate provisioning in-

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terface with systems/equipments development and production.

c. Physical accomplishment of provisioning actions is assigned to the Air Force Logistics Command's air logistics centers. The air logistics center assigned system manager/end article item manager has the responsibility for insuring that provisioning is accomplished in a timely and adequate manner. Prior to the assignment of an air logistics center as system manager/end article item manager, the Air Force Acquisition Logistics Division is responsible for early provisioning planning. Details for Air Force provisioning are outlined in Air Force Logistics Command Regulation 65-5, Air Force Provisioning Policies and Procedures.

14-17. Provisioning process

a. Air Force provisioning is accomplished in accordance with MIL-STD-1561, Uniform Department of Defense Provisioning Procedures and MIL-STD-1552, Uniform Department of Defense Requirements for Provisioning Technical Documentation. Action is currently underway to incorporate MIL-STD-1552 into MIL-STD-1388, Logistics Support Analysis. When complete, MIL-STD-1388 will become the primary document for requesting provisional technical documentation. These standards, along with the applicable data item descriptions and the Air Force Addendum to DD Form 1949-2, Provisioning Requirements Statement, are included in all new production contracts that require provisioning actions.

b. The provisioning guidance conference is convened not later than 45 days after the contract mailing date and is held at either the contractor's facility or the system manager/end article item manager air logistics center. The guidance conference may be attended by representatives from Headquarters, Air Force Logistics Command, Air Force Systems Command divisions, Air Force Acquisition Logistics Division, and the using commands in addition to air logistics center and contractor personnel. Through the medium of a guidance conference, the contractor and the Air Force are afforded an early opportunity to discuss and achieve a mutual understanding of the contractual requirements. In addition, the contractor is given an orientation in the Air Force methods of requirements determination, cataloging, and documentation requirements.

c. The provisioning conference allows the Air Force to select support items and assign technical and management codes. This conference is established after the contractor has completed the engineering effort and prepared the proper provisioning technical documentation. The data established must be early enough to meet contractual delivery requirements for new items. Participants in the provisioning conference are representatives from the contractor, systems manager/end article item manager air logistics center, item manager air logistics center, Air Force Cataloging and Standardization Office, and using commands. This conference may be held at either the contractor's facility or the system manager/end article item manager air logistics center.

d. The responsibilities of the Air Force and the contractor are not terminated after the provisioning conference. During the life of the production contract, the contractor has a continuing responsibility to submit to the Air Force, additional management or technical data, such as design change notices. Design change notices inform the system manager/end article item manager of changes to support items and may modify, add to, or delete parts previously under contract.

e. Within 60 days after the provisioning conference, the Air Force will submit provisioned item orders for those items to be procured from the con-

tractor. Items not procured from the contractor will be supported by other means (i.e., purchase request to actual manufacturer or furnishing requirements to non-Air Force manager-DLA or another service/agency). For all practical purposes, the provisioning process ends with the delivery of the required support items.

14-18. Provisioning management techniques

a. Interim release. This procedure permits the contractor to release his forecasted spares requirement for critical or long leadtime items simultaneously with his production requirements for like items. The contractor's interim release does not become a firm order until reviewed and approved by the Air Force. Interim release must be authorized in the Procurement Requirements Statement before it is effective. This technique has proven to be invaluable for extremely compressed programs and has done much to provide timely support to the using commands.

b. Resident provisioning team. This concept requires selection and assignment of a cadre of well qualified Air Force personnel on a permanent change of station basis to the contractor's facility for the purpose of accomplishing provisioning, or a portion thereof. The Resident Provisioning Team may be identified as a logistics support cadre or a resident integrated logistics support activity. The system manager/end article item manager air logistics center is responsible for assigning and staffing the Resident Provisioning Team. The objectives of a Resident Provisioning Team are to reduce the time required to furnish the contractor with a provisioning order, to achieve a greater degree of understanding and compliance with contractual provisioning requirements, to effect closer control of items and quantities recommended by the contractor, and to attain better control of assets through joint usage of support items required for test and operational programs. It

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affords the Air Force an earlier look at new items and a better estimate of when the contractor must release an item to production. It also enables reaction to reprogramming and design changes.

c. Phased provisioning. This is a concept whereby procurement of all or portions of requirements for selected items is deferred until the system's design is stabilized and operational experience is available. This technique can result in deferring procurement of quantities of items that could become obsolete through design changes. The quantities of items deferred, called buffer stocks, are over and above normal production inventories and are to be held by the contractor in the production line. Bonded warehouses are not authorized. This buffer stock will never exceed, at any given point in time, the contractor's requirement for like items for end item production. Decisions to apply this concept will be based on the contractor's capability to maintain buffer stocks and the criteria established for its use. The applicable contractual acquisition document for this concept is MIL-STD-1517. Phased Provisioning.

d. Accelerated provisioning concept. This technique is used when sufficient time is not available for accomplishing provisioning in the normal manner. This can be caused by several factors, some avoidable, some unavoidable. Recognition of this fact has prompted the development of a provisioning concept that can be used to produce initial product support in a much shorter time frame, when required and fully justified. Briefly, under this procedure, the Air Force notifies the contractor to speedily prepare the provisioning documentation needed at the provisioning conference. The Air Force augments its normal provisioning conference team with additional item managers. At the conference, source, maintenance, and recoverability codes are assigned, cataloging action initiated, requirements computed, and pro-

visioning orders initiated. The necessary actions are taken with the provisioning procurement contracting officer to officials release the provisioning order to the contractor at the close of the provisioning conference. Thus, this concept could reduce the provisioning process by at least 3 months.

e. Mechanized provisioning. The Air Force Logistics Command Provisioning System. D220, provides a mechanical means to assist the provisioning activity in controlling and processing numerous types of provisioning documentation received from the contractor. The voluminous number of hard-copy provisioning documents has always been a problem for Air Force provisioners. The D220 allows the Air Force to receive magnetic tapes in lieu of hard copy. It provides for receipt of provisioning data from the contractor, interfaces with other systems, provides various review documents, and finally mechanically prepares a provisioning order to be forwarded to the contractor.

14-19. Accelerated provisioning procedure

a. When sufficient time is not available for accomplishing the standard provisioning process, the Air Force may use the accelerated provisioning procedure. Briefly, under this procedure, the Air Force notifies the contractor to speedily prepare the provisioning documentation needed at the source coding conference. The contractor is not required to wait for an item review, normally, provided by DLSC.

b. The Air Force augments its normal source coding team with additional item managers from the air logistics center, and on occasion, DLA personnel. At the accelerated provisioning source coding conference, the cataloging technicians assign temporary management control numbers to those items selected for procurement, if no, valid stock number is available. They accumulate the data needed for stock number control. They also insure that all the required drawings and other data needed for item identification are profited by the contractor, so that normal cataloging action can be done after the source maintenance, recoverability coding has been accomplished. The requirements technicians maintain frequent contact, by telephone with the appropriate item managers, so that a determination as to the quantities of items to be procured can be accomplished during the source coding conference. These actions permit the repair parts order to be developed, reviewed, and priced (based on the contractor's estimated unit cost). The necessary actions are taken with the provisioning procurement contracting officer to officially release the repair parts order to the contractor at the close of the source coding conference.

14-20. Spares acquisition integrated with production

This procedure integrates the ordering and production of selected spares and identical items produced for installation. Thus, the Air Force stabilizes quantities of spares on order, preprices spares orders with items for production installation, and links configuration control of spares directly to production items. This procedure requires contractors and subcontractors to integrate materiel ordering and manufacturing for both spares and items for production installation. This will hold down possible high prices resulting from separate materiel ordering and manufacturing actions. Since spares acquisition integrated with production orders are released with production contract award, provisioning actions must be accomplished early. Provisioning data requirements for spares acquisition integrated with production items must be incorporated in the full-scale development contract. The Air Force implements spares acquisition integrated with production on each new production program estimated to cost \$300 million

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or more, any modification program estimated to cost \$100 million which requires initial spares support, or other programs or projects designated by the commander, Air Force Logistics Command, or Air Force Systems Command.

Section V

Provisioning in the Marine Corps

14-21. Introduction

a. The Marine Corps has long recognized the need for concurrent availability of repair parts, tools, and technical documentation at the time a new major end item is placed into operational use. To this end, the Marine Corps initiates provisioning during the Full-Scale Development Phase of an equipment acquisition as an integrated element of the logistics support analysis process in accordance with MIL-STD-1388 and MIL-STD-1561. Military Standards 1561 and 1552 are used when MIL-STD-1388 has not been included as a requirement in an equipment acquisition. These standards set forth those actions required of the contractor to insure identification of technical documentation requirements and concurrent delivery of end items with associated initial support materiel.

b. It is recognized that operational requirements sometimes call for temporary expedients. Therefore, provisioning may take several forms. For example, in an emergency, a new major item may be introduced with interim initial support and contractor support during the period that supply system stocks are being built up.

c. During the conduct of the provisioning process, every support item entering the Marine Corps supply system is source, maintenance, recoverability coded and identified by an NSN. The procedures of the DOD Item Entry Control Program are followed.

14-22. Purpose

The purpose of provisioning in the Marine Corps is to determine and obtain the range and quantity of repair parts, tools, publications, and support equipment required for the initial support of new equipment. Provisioning includes the identification, selection, and acquisition of items required for maintenance purposes and the preparation of instructions to insure that the necessary initial support items are positioned in the appropriate segments of the supply system and maintenance echelons before new equipment is placed in operational use.

14-23. Organization

The Deputy Chief of Staff for Installations and Logistics is responsible for the management of the Marine Corps supply system and formulation of provisioning policy, which is promulgated by the provisioning manual, Marine Corps Order P4400.79. The ICP implements provisioning policy and determines and acquires the range and quantity of support materiel initially needed for Marine Corps ground equipment.

14-24. Process

a. The provisioning process begins with the establishment of potential Marine Corps equipment objective in the form of a required operational capability statement during the Conceptual Phase. It continues with early funding estimates for budgetary planning, integration with logistics support analyses during full-scale development, acquisition of initial support items when the end item goes into production, and the distribution of initial support items to using and supporting organizations. It terminates at the end of the usage data reporting period, which is normally 2 years.

b. A Letter of Adoption and Procurement, which contains a completion schedule of the significant events that must occur before an end item with com-

plete initial support can be placed in service by using organizations, is developed for each new end item. This letter is the official document used by the Marine Corps to initiate acquisition and it provides the Deputy Chief of Staff for Installations and Logistics with the basic planning data needed for development of integrated logistics support plans, maintenance plans, planned end item distribution, and initial provisioning requirements. Provisioning guidance such as the following is provided to the ICP: planned end item distribution; maintenance plans; logistics support analysis reports/data; test and evaluation reports; and the Letter of Adoption and Procurement. These are essential for determining the range and quantity of items required for initial support of a new equipment and the preparation of repair parts lists.

c. Provisioning requirements such as technical documentation, repair parts ordering, provisioning conferences, and rescheduling are included in the procurement package. The military standard logistics support analysis and/or provisioning requirements are included as the basic provisioning requirements documents. However, the Marine Corps has existing cross-service agreements with the Army, Navy, and Air Force for using existing technical documentation when the end item was previously provisioned by one of those services.

d. During production, the contractor is required to submit a Provisioning Performance Schedule with his bid or quotation. This schedule depicts time frames in calendar days and the sequence of major actions in the provisioning cycle. A typical schedule would include:

(1) Contract award (production).

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(2) Preprovisioning conference (to be held as soon as possible after contract award). During the conference, representatives of the ICP discuss the provisioning requirements with the contractor in order to facilitate preparation of acceptable and accurate provisioning documentation. The contractor is required to furnish a long leadtime item list at the preprovisioning conference.

(3) The ICP forwards a long leadtime repair parts order to contractor after the preprovisioning conference.

(4) The provisioning technical documentation package is submitted by the contractor to the ICP for review and approval. In addition to provisioning lists, drawings, common bulk items lists, and engineering drawing cards, the documentation also includes provisioning screening results provided to the contractor by DLSC in response to the provisioning screening submitted by the contractor.

(5) The ICP accepts the provisioning technical documentation after submission by the contractor.

(6) A provisioning conference is held at the contractor's plant after the provisioning technical documentation has been accepted. The contractor is required to furnish a complete set of drawings and qualified engineering personnel for the maintenance evaluation of either an assembled and operable end items of the type being procured or a sample of each part which is detailed on the provisioning list if logistics support analysis was not conducted. At the provisioning conference, the ICP provisioning team determines items of support, establishes adequacy of the data requirements for cataloging and the preparation of the repair parts lists, establishes or refines firm failure and replacement factors, designates those items required for support which the contractor did not recommend, and determines item identification requirements.

(7) Preliminary source, maintenance, and recoverability codes are assigned during the provisioning conference; however, final assignment of source, maintenance, and recoverability codes are not made until a selective management review has been conducted with the greatest intensity being applied to

the items of highest line item value. Some of the factors that are considered during the review are: usage experience obtained from the contractors, other military services, or the Marine Corps during full-scale development, past experience with similar equipment to update, refine, or establish maintenance and replacement factors; design stability of the item; production and procurement leadtime; use of actual past experience with similar items for repair rate; repair cycle time; item distribution computations; scheduled inservice dates; method of procurement; and use of phased provisioning in lieu of a total initial support item buy in order that actual usage experience can be used.

(8) Preliminary repair parts list illustrations submitted by the contractor are approved by the ICP after acceptance of the provisioning technical documentation. The contractor submits final illustrations to the ICP after acceptance of the preliminary illustrations and the ICP either approves or disapproves the final illustrations.

(9) An initial repair parts order is forwarded by the ICP to the contractor or integrated materiel manager after completion of the provisioning conference.

(10) The ICP furnishes the contractor with NSNs.

(11) The final significant event on the provisioning performance schedule is the delivery of the support items ordered.

e. Management controls are maintained throughout the end item production phase provisioning cycle by a provisioning milestone program, which portrays the progress of the provisioning cycle to insure that the required initial support materiel are delivered on schedule to Marine Corps Logistics Bases. When supportability tests conducted by the ICP indicate that the initial support materiel are available, the initial issue is made to Marine Corps Force Service Support Groups.

f. The initial issue process is initiated when the Deputy Chief of Staff for Installations and Logistics directs the ICP to release the initial issue consolidated tapes which reflect the range and quantity of initial support materiel authorized to the tactical using and supporting organizations. The ICP then sends out materiel release orders to release, from reserved stocks, those assets required for initial issue, concurrently causing a transfer of assets from inactive provisioning requirements stockage to general issue accounts and pre-positioned war reserve accounts.

g. The ICP monitors receipt of the initial issue by using and supporting organizations and advises the Deputy Chief of Staff for Installations and Logistics when the initial issue has been completed. Once the end items are placed in service, the Fleet Marine Force commanders advise the Deputy Chief of Staff for Installations and Logistics.

h. Placing an end item in service completes the provisioning cycle and is the beginning of the usage data development period of the operational phase. The early part of this phase is considered as the time for product improvement and refinement of the initial support determinations. This is accomplished by way of submission and evaluation of quality deficiency report and collection of actual usage data. Collection of these data for the first years of operations is very important in assessing the effectiveness of initial support and insuring continued support.

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Section VI

Provisioning in the Defense Logistics Agency

14-25. Introduction

Under its chart, DLA participates as a supporting inventory manager in the provisioning process of the military services and other defense agencies.

Their involvement is enunciated more explicitly in DOD Instruction 5100.63 and in joint provisioning regulations. The provision mission applies to repair parts managed by DLA for support of provisioning requirements of DOD customers. It includes the incorporation of provisioning procedural and technical documentation requirements into contracts for end items requiring provisioning. These are end items either managed by DLA or referred to them for procurement under the Coordinated Procurement Program, and for which they issue the contract.

14-26. Weapon system support

DLA plays a major role in support for the weapon systems being developed and managed by the military services. To enhance the support given these systems, DLA has keyed its efforts to give maximum management attention to those items essential to the operation of a weapon system. These efforts may begin even before DLA assumes responsibility for management of the NSNs. By identifying the weapon systems coming into the DOD inventory and working as an equal partner with the military service fielding the system, DLA actively participates in the provisioning and integrated logistics support planning for the system. This participation allows DLA to provide technical support at provisioning conferences, to recognize the provisioning transactions applicable to the weapon system, to expedite the processing of those transactions, to provide status on the DLA provisioning support, and to speed the entry of those items into the supply system. Once in the supply system, DLA uses the essentiality code assigned by the military service to determine those NSNs which should have the highest degree of support and management attention. The DLA Weapon System Support Program, which is reflected in AMCR 700-59, AFM 67-1, NAVMAT Instruction 4420.1, and DLAR 4140.38, details the specific actions taken to support these essential NSNs.

14-27. Processing provisioning transactions

a. Repair parts are furnished to fill customers initial support requirements for items already centrally managed and stocked and for those new repair parts being item management coded to the agency for management during provisioning. The forecast requirements are first transmitted to DLA by way of standard supply support requests, which provide both end item program information and individual repair part technical and supply information to the defense supply centers. The centers use the information provided in supply support requests to establish item identity and accomplish item entry control screening, cataloging, requirements determination, procurement, and stocking of the requested repair parts.

b. During item entry control screening, the centers find similar items which are already standard or are potentially interchangeable/substitutable. These are referred to the originator of the supply support request for consideration in lieu of entering the new item into the supply system. The originator has the final technical authority for accepting or rejecting the item offered, and is required to advise the defense supply center as to its acceptability. When it is determined that a new item will be entered into the system, the center accomplishes all cataloging actions including preparation of the item identification, submission to DLSC for NSN assignment, and furnishing appropriate supply management data to the DOD user. The center determines the method of management and net requirements, and places orders for procurement and delivery of items to meet the operational need dates of the users. The DLA budgets and funds under their stock fund for the purchase of centrally managed items and, when DLA procurement services are required, for the purchase of decentralized (local purchase) items as well. During provisioning, procurements of items which are not under integrated materiel management are financed by military interdepartmental purchase requests provided by DOD users, and such procurements are made by direct citation of users' funds provided in the request. The using military department/agency budgets and funds for reimbursement of the DLA stock fund for those items which it requisitions.

14-28. End items managed by DLA

When an end item is assigned to DLA for integrated materiel management or coordinated procurement, the responsible center insures that necessary actions are taken to accomplish provisioning support. The center notifies the users of planned procurements of end items, and requests that users' provisioning requirements be provided for inclusion in the contract. These contractual requirements, which are more explicitly enunciated in joint regulations, include preprovisioning and source coding conferences, provisioning technical data (provisioning lists, drawings, item identifications, etc.), delivery schedules for these data, options to procure repair parts, and delivery of such parts. The defense supply centers include these contractual requirements in those solicitations or contracts for which the users have indicated a need for provisioning in connection with the

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end item purchase. DLA, as contracting officer and administrator, is responsible for processing the contract through to completion including all provisioning requirements. As present, DLA does not provide direct provisioning support to civil agencies and bureaus, but is responsible for coordinating, negotiating, and consummating provisioning agreements and relationships between DOD and GSA.

14-29. Defense Logistics Agency Screening Program

DLA operates a screening program to match manufacturer's part numbered items to existing NSNs. Policies and procedures are provided in DOD 4130.2-M (Federal Catalog System Policy Manual). The program requires military services, defense supply centers, and appropriate authorized contractors to screen manufacturer's code and part number and/or NSN against the total item record maintained at DLSC. The screening minimizes the introduction of new items into the DOD system; prevents procurements of items in long supply; provides the identification of existing inventory managers, full catalog file data, and asset data, where appropriate; and reduces the cost of item identification for cataloging purposes. The screening program is flexible enough to accommodate all the variations that exist in provisioning procedures and to provide standard results for all users.

Section VII

Provisioning in the General Services Administration

14-30. General

a. GSA performs its provisioning functions in accordance with DLA regulations, manuals, and agreements with the services. Therefore, provisioning in GSA is almost identical to provisioning in the agency.

b. The principal difference is due primarily to the difference in organization. In GSA, the responsibility for control and performance of provisioning is in the Office of Federal Supply and Services.

c. Equipment procured by GSA is provisioned by contracts entered into by this activity.

d. Processing of provisioning supply support requests will, in some cases, cause the establishment of depot stocks, depending on the nature and difficulty of procurement.

e. Initial service support requirements for items managed by GSA are supplied by issue from stock or by direct procurement.

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Chapter 15

Major Item Management

Section I

Major Item Management in the Army

15-1. Introduction

a. All the military services give primary management attention to major items of equipment, such as aircraft, ships, tanks, and weapon systems. Decisions concerning major items normally are made at departmental or higher levels, and review of requirements is extremely detailed and receives management scrutiny at every step of the process. Major items are individually identified in use and in reserve. They are issued only upon specific authorization or for special projects. Inventory levels, in the sense of bulk stock measured in "days of supply" or some other pipeline factor, are not significant for these items. Because of their importance, major items require detailed analysis and examination of all the factors affecting their supply and demand. Normally, they are identified by their requirement to be centrally managed by their high cost; their worldwide requirement is individually specified, computed, and programed in accordance with force structures as matched against the Table of Organization and Equipment (TOE/The Army Authorization Documents System (TAADS); their essentiality for combat or training; and the difficulty of procurement or production. Major items must be in supply class V (ammunition) or class VII (major end item).

b. Major supply problems in this area involve the establishment of unit allowances based on organizations and missions to determine the total initial allowances plus a provision for any known operational requirements. Sufficient quantities are added to replace items of the initial issue that are expected to be worn out through fair wear and tear or damaged or lost under combat conditions. Computations are made of stock necessary to initially fill the pipeline intransit between the Continental United States (CONUS) and overseas areas. Materiel necessary for special projects must be acquired. Consideration is given to the use of those items to be overhauled.

c. From the point of view of supply management as well as strategic necessity, the segregation of major items from secondary items is a valid and desirable management technique. Procurement, supply control and distribution problems are basically different for major items.

15-2. General information

a. Major items are end items which because of their importance require detailed analysis and management by the Army and close scrutiny by the Department of Defense (DOD). Primary management attention is given to such items as tanks, aircraft, missiles, and major weapon systems which make up the largest portion of the Army's dollar investment and represent the largest part of the annual need for procurement dollars. Estimates of the Army's inventory vary between \$125 and \$150 billion. Of this amount, the major items represent 1 percent of the total line items and 80 percent of the total dollar value of the inventory.

b. Intensive management of major items is necessary not only because of their high-dollar value and combat essentiality, but also because of their impact on secondary items and repair parts to support the equipment in the field. The level of review given these items will differ depending on how critical the end item is and its total inventory dollar value. Some are reviewed by the major subordinate command (MSC), which are comprised of the materiel readiness commands and materiel development commands, some by the

US Army Materiel Command (AMC), and some by the Deputy Chief of Staff for Research, Development, and Acquisition (DCSRDA). The item emphasis for management analysis may vary from year to year.

c. The computation of requirements for major end items is an important function in the logistics system. It is through this process that the Army evaluates its materiel readiness position at different points in time, insures that excesses are not accruing, and provides a basic input to support its annual budget request and subsequent apportionment of the appropriate dollars. The consolidated requirements of all the military services representing the defense plans of the United States provide the basis for determining the military demands upon the industrial capacity of the Nation's resources in terms of facilities, raw materials, and manpower. These major item requirements are the focal point from which almost all major item inventory management actions originate; e.g., procurement, production, distribution, maintenance, and disposal.

15-3. The Army Materiel Plan

a. The Army uses as its primary instrument for major item management analysis a document called the Arms Materiel Plan (AMP). The AMP integrates all elements of logistics planning directly affecting attainment of Army major item materiel objectives, namely: requirements, assets, losses, and production capabilities. The AMP is a basic source document used in the development and execution of that portion of the Army Long-Range RDA Plan (LRRDAP), Program Objective Memorandum (POM), and Office of the Secretary of Defense (OSD)/Office of Management and Budget (OMB) Budget Estimate as they pertain to major items of equipment and munitions in Procurement Appro-

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priations, Army (PAA). It is a planning document only. The purpose of the AMP is to determine which major items of equipment and munitions should be bought, rebuilt, and disposed of; in what quantities; and at what time. The AMP also provides for the development of major item overhaul and repair (depot and contractual) programs required to maintain the US Army inventory.

b. The unclassified, unofficial booklet entitled Procurement Planning and Policy Guidance (PPPG) is used to determine overall procedures used for planning, programming, and budgeting for PAA and explains the relationships between elements of materiel acquisition and logistics. Detailed instructions for the conduct of the biannual AMP reviews at the MSCs are contained in guidance letters promulgated by Office of the DCSRDA (DAMA-PPP-P). Generally, these reviews are held to make repricing and executability changes only. The results of these reviews are used by ODCSRDA as the basic baseline data for formulation of the POM and the OSD/OMB Budget Estimate.

15-4. Information requirements

OSD expects the military departments to react promptly to changes or proposed changes in the logistics guidance and the composition of their forces. The Army Staff must be able to prepare without delay accurate estimates of materiel requirements in dollar costs dependent upon these changes and proposals.

15-5. Planning guidance

a. Preparation responsibility. The AMP is prepared by AMC and its MSCs. The AMP and the Army Production Base Support Plan are prepared twice a year to support the POM and OSD/OMB Budget Estimate. AMP review dates and detailed instructions on the conduct of the review and preparation of the AMP

documentation are announced separately by ODCSRDA (DAMA-PPP-P).

b. Study requirements. The AMP is comprised of seven sectors (e.g., Army acquisition objective (AAO), buys, losses, production) that relate to a standard study number (SSN). The compilation of individual SSNs in each of the five Army procurement appropriations becomes the AMP for the POM on the OSD/OMB budget.

c. Budget study items. SSN items selected for study are based on consideration of programed quantity and dollar values reflected in the DOD P-1 Budget Estimate.

15-5. Requirements computation

a. Two terms are used to describe the total quantity of an item of materiel required by the Army to be included in the AMP study-gross requirements or the AAO. The gross requirement is the sum of the initial issue quantity (IIQ), maintenance float, operational projects, post D-day consumption, required to support the planned force in a wartime situation and to sustain that force until civilian industry can be mobilized to support the Army's total wartime daily needs. The AAO is the quantity of an item of equipment or ammunition required to equip the approved US Army force and sustain that force, together with specified allies, in wartime from D-day (day the war begins) through the period prescribed and at the support level directed in the latest Defense Guidance (DG). The AAO is broken down into various packages based on force packaging methodology outlined in the Army Plan. The DG establishes procurement programing objectives to be achieved by specific fiscal year (FY) funded delivery periods (FDP). The packages in the AAO can be related to the procurement programing objectives in the DG. A net requirement is computed for each FY FDP by comparing asset position plus projected receipts less projected peacetime losses with appropriate AAO packages.

(1) Support of allies. Materiel provided for the support of allied forces is another element of the AMP. Computation and display of these quantities is dependent upon many factors, to include the source of funding (procurement appropriations or other funds) and the type of transaction (sale, grant, aid, or issue with transfer of title). Authorization for equipment for allied forces are not included in the force structure. Annual requirements are developed in a series of coordinating conferences between the country, the unified command, and DOD. The requirements are submitted to Congress as the Foreign Aid Program Proposal. That portion of the proposal approved by Congress and incorporated into the AMP, authorized on a by-item-by-dollar basis. It is not a part of the AAO, but is a part of the total procurement plan developed by the readiness commands.

(2) Support of other US activities. The materiel support provided the other US military departments and agencies is also an integral element in the AMP. Both current and mobilization requirements are included. Current requirements are coordinated directly with the appropriate commodity commands; mobilization requirements are coordinated with DA which furnishes the requirement to the proper MSC.

b. Equipment and ammunition items to sustain, not equip, specified allies is referred to as War Reserve Stock Allies (WRSA) and does represent a portion of the AAO. Procurement is programed based on the DG.

c. The automated AMP is known as the System for Automation of Materiel Plans for Army Materiel (SAMPAM). Currently, an effort is underway to modernize SAMPAM. It is called AMP Mod and phase I should be operational in late 1984.

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15-7. Preparation of gross requirements

Based on guidance furnished by ODCSRDA (DAMA-PPP-P), the US Army Research, Developments and Acquisition System Agency (RDAISA) computes the AA0. The elements of the AA0 are:

a. IIQ. This represents the requirements (by line item number LIN)) for items as set forth in the Logistics Structure and Composition System (LOGSACS) is an interface of the Force Accounting System (FAS), TAADS, TOE Files, Basis of Issue Plan (BOIP), and represents the approved initial wartime force for active and reserve components. The Office, Deputy Chief of Staff for Operations and Plans (ODCSOPS) provides these data to ODCSRDA (DANIA-PPP-P) for AA0 development purposes and to the US Army Depot System Command (OESCOM) for the Total Army Equipment Distribution Program (TAEDP) development purposes.

b. Maintenance float. Maintenance float contains those end items authorized by DA for stockage at installations or activities for replacement of unserviceable items of equipment when immediate repair of the unserviceable equipment cannot be accomplished by the supporting maintenance activity. The immediate exchange of serviceable for unserviceable equipment enables a using unit to perform its assigned mission without serious disruption. Maintenance float is authorized for selected major items. Maintenance float stocks may be loaned to replace items which have been lost, destroyed, or are uneconomically repairable, but these items are loaned only when the scheduled supply delivery date is determined to be after the operational need date. Maintenance float includes both operational readiness float (direct support float) and repair cycle float (depot-level overhaul float). Maintenance float factors are published in Supply Bulletin (SB) 710-1-1. If a maintenance float is authorized for an item but a factor has not been published, agencies preparing the AMP use factors published for similar items of equipment. Army Regulation (AR) 750-1 contains the details for determining these maintenance float factors.

c. Operational readiness float. End items or major components of mission-essential, maintenance-significant equipment, specified by DA for stockage, normally by direct support or general support maintenance units, to replace unserviceable equipment needed to meet operational commitments.

d. Repair cycle float. An additional quantity of major items of mission-essential, maintenance-significant equipment, specified by DA for stockage at depot level to permit withdrawal of equipment from organizations for scheduled overhaul, without detracting from organizational readiness. The float is used to replace equipment awaiting overhaul, in the overhaul process, and intrasit to and from depot overhaul.

e. Operational projects. It is through operational projects that nonrecurring needs for supplies over and above normal allowances are authorized to support specific logistics or contingency plans. These requirements are authorized by DA through the PPPG Document and do not constitute a regular demand; e.g., a plan indicating the need for a port facility to be built in the event of military operations at a specific locations. Since this is a one-time requirement for a specific need, it qualifies as an operational project. A bill of materials is prepared and, when the project is approved by DA, the port facility bill of materials is added to the AA0 as an additional requirement.

f. Post D-day consumption. The materiel anticipated to be lost in combat or worn out after D-day is referred to as post D-day consumption. The anticipated consumption is computed by multiplying a wartime replacement factor (WAFR) and/or peacetime replacement factor (PTRF) by the initial issue requirements of units scheduled to be in these postures during the number of months depicted in a postulated scenario.

15-8. Replacement factors

a. The computation of replacement requirements for equipment and consumption rates for ammunition represents an effort to arrive at the expected annual demand. Since no two wars or engagements are ever pursued under precisely the same conditions; since environmental conditions vary throughout the world; and since technology changes so swiftly, by the time data have been collected and analyses made, newer conditions exist. Under these

dynamic conditions, the computation of requirements on an economical, combat readiness basis presents a real challenge. The annual requirement to replace equipment in use is determined by applying the appropriate replacement factor to the in-use inventory.

b. A replacement factor is the estimated percentage of equipment in use that will require replacement each month due to wearing out beyond repair, enemy action, abandonment, pilferage, and other causes except catastrophes. Obsolescence, maintenance float, issues to replace equipment undergoing overhaul, ship sinkings, storage, and operational projects are not included in this computation; the replacement factor is applied against the IIOs only. Unclassified replacement factors are published in SB 710-1-1 and are listed under two categories: peacetime and wartime active. The peacetime factor is used to forecast peacetime consumption quantities and mobilization training losses. The wartime active factor is used in computing combat consumption and to determine war reserve requirements for some allies. Classified wartime active factors are contained in the SSN, but are not displayed in SB 710-1-1 to preclude classing the supply bulletin.

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c. Peacetime replacement factors are based on historical demand data; wartime factors on experience in World War II and in Korea and on technological advances. Because of the intense interest in replacement factors by the Department of the Army (DA), DOD, and Congress, the Army has sponsored studies to develop new methodologies for computing these factors. The principal theme of each new methodology is that requirements are separately identifiable by cause. For peacetime, this includes wearout or accident; while wartime is related to type of combat mission and various ways in which equipment might be lost in combat. A more complete description of policies and procedures for determining replacement requirements for Army equipment using the results of these methodologies is found in AR 710-60.

d. Materiel will be destroyed or consumed at an accelerated rate under combat conditions, and within combat conditions there are varying consumption intensities. Normal combat is that intensity anticipated in an active theater over a prolonged period and includes all types of combat activity, from very heavy fighting situations to where there is no actual combat. Intense combat implies a much higher degree of intensity during which, although including the elements of normal combat, very heavy fighting is projected. The PPPG will include instructions for application of a combat intensity factor tailored to the specific degree of consumption expected in each overseas area.

e. Ammunition replacement requirements are computed approximately the same way as equipment requirements. The requirement is expressed in rounds/unit per day per weapon or in units of measure for bulk items. The quantity expected to be expended is based on ammunition factors found in SB 710-1-1. Ammunition expenditure is also referred to as combat consumption.

15-9. Preparation of net requirements

Agencies responsible for preparing the AMP must await the receipt of the AAO data. At this time, they will compare assets and projected peacetime losses with the AAO to determine the net requirement, and develop the production data to satisfy the new requirement.

a. Total procurement plan. This is a summary of procurement actions showing actual program accomplishments for the prior year, the approved program for the current year, program quantities developed by the preparing agencies for the budget year, and projected programs for subsequent years (budget + 1 through budget +5).

b. Inventory objective plan. The Inventory Objective Plan displays the re-

sults expected to be achieved by the Total Procurement Plan as of the end of each studied fiscal year. The principal objective of this plan is to insure that the readiness of the Army will not be lowered for economy purposes. Normally, specified packages of AAO will be achieved during the 5-year plan (budget + 1 through budget + 5). The leadtime it takes to deliver all the equipment procured with 1 year's funds determines which year specified packages of the AAO will be achieved. This objective, less the net asset position, represents the quantity the Army should budget for annually as reflected in the Total Procurement Plan. The Inventory Objective Plan is formulated on projected receipts, losses, and the year-end asset position. Subtracting the combined total of receipts and assets type-classified as standard less the losses from the specified packages of AAO give the net asset position for the year concerned.

(1) Receipts. The main source of increase to the inventory is from production. The projected receipts reflect approved production schedules from past fiscal year appropriations, and proposed production schedules for future years. The proposed schedules are subject to change by each year's submission of the AMP. Receipts from sources other than production are also projected for the same periods.

(2) Reductions to the inventory. Reductions are incurred when an item of equipment is no longer under the Army's control. Transfer of equipment from one theater to another does not constitute a reduction to the inventory because it is still under the Army's control. Reductions occur in many ways, through peacetime wearout, combat, "washout" programs, sales/grants to allied countries, and by other means not discussed here but considered by agencies preparing the AMP in projecting future assets. Reported losses are used when actual losses are to be portrayed.

(a) Peacetime losses. Replacement factors appearing in SB 710-1-1 are used to project peacetime losses to the in-use inventory. These projected losses are now tempered by reported loss data.

(b) Combat losses. The preparing agencies will use other replacement factors in SB 7101-1 to project combat losses, if applicable.

(c) Washout programs. Washout programs provide for the planned phase-out of older equipment items that are no longer needed or are being replaced by new items. They are not considered to be normal peacetime losses. The program is developed by the AMP preparing agency and submitted to DA on the AMP. The funds provided for procurement of the newer items determine the rate at which the program is executed.

(d) Sales, grant aid, and other. HQ, AMC, approves transfer of Army-owned assets to non-Army customers, and these quantities are displayed in the AMP as projected inventory reduction.

(3) Worldwide asset reporting. Generally, all assets which are type classified as "limited production"

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or "standard" are subtracted from the AAO in arriving at a net requirement. This includes all serviceable assets except those which have been coded "uneconomically repairable." The year-end asset position for the prior year is determined by the continuing asset balance reporting procedures. The reports include assets in the hands of troops, in transit, and in storage both overseas and in CONUS. The reports are received at DESCOM, consolidated, and forwarded to the preparing agencies.

(4) Contract data. Contract information concerning producers who are already under contract or have bid successfully and are to be awarded a contract is reflected in this portion of the AMP.

15-10. Production data

Information concerning actual and planned production capabilities is needed for review, analysis, and revision of the procurement portion of the Army budget and for determining capabilities for support of the Army needs, those of allies and other claimants, and mobilization requirements. Combat consumption quantities displayed in the HQDA Critical Items List (CIL) reflects the total needs for prioritized wartime requirements. Government-owned capacity includes depot assembly of an identifiable end item from components required under a breakout program and in-house fabrication. This total production capability is based on the latest planning for industrial preparedness with consideration given to the type of equipment the manufacturer normally produces.

a. Production base analysis. To insure that the plans for the Army's D-day readiness position is complete, the post D-day consumption requirements are computed and published annually in the HQDA CIL for industrial preparedness planning. This permits accurate, realistic planning for post D-day industrial base support. In addition to the total requirements, also displayed are the current and planned producers who have written agreements with the Government to produce the item during mobilization. Their total anticipated production output is reflected by month in order to correlate mobilization requirements with production.

b. Manufacturers' data. For those manufacturers already producing or committed to planned production of an item after D-day, a considerable amount of information is needed to compute the mobilization production schedule. These data include but are not limited to:

(1) Minimum sustaining rate. The minimum rate required to maintain a production line operating with reasonable efficiency and without excessive increases in item cost.

(2) 1-8-5 production rate. A maximum monthly rate of production that can be efficiently obtained by each manufacturer on a single shift 8-hour day, 5-day workweek basis, using installed production equipment and special tooling.

(3) 2-8-5 production rate. The maximum monthly production rate that can be efficiently obtained by each manufacturer on a 2-shift, 8-hour day, 5-day workweek basis, using installed production equipment and special tooling.

(4) Maximum production rate with current tooling. A maximum production rate that can be obtained using installed production equipment and current tooling. Since the post D-day production offset is a reduction in the number of items which the Army can procure in peacetime, great care is exercised in developing how much more a producer can deliver in the time period after an assumed D-day. Such factors as leadtime to hire and train new employees, leadtime to obtain components from vendors, and leadtime to acquire additional tools and equipment should be considered realistically.

(5) Number of months to reach maximum rate. The number of months from the mobilization day which will be needed for the manufacturer to achieve the maximum production rate. This number is based on an assumption of a declaration of a national emergency with no requirement for formal advertising in competitive procurement.

(6) Economical procurement quantity. The determination of this quantity is a judgment matter. As such, this quantity is based upon the best estimate available. This information is used to determine the minimum annual quantity which can be procured without paying a penalty to a manufacturer.

(7) Minimum procurement quantity. The determination of this quantity is also a judgment matter and is based upon the best estimate available. Normally, it would be expected that this is the smallest quantity a prospective bidder could be expected to bid on. For items of a commercial nature (e.g., certain types of construction equipment, materials handling equipment, vehicles, air-conditioning equipment), this quantity could be one unit. This information is used in studies to determine if procurement should be made in lesser monthly quantities over a longer period of time the objective being to retain production capability for as long a time as practical.

c. Peacetime production schedule. Procurement plans normally are designed so that total acceptable assets of each item of equipment will reach the AAO as quickly as possible. When reached, enough production is programed each

year to maintain the inventory of acceptable assets at that level. The procurement planning phase of the AMP preparation requires close attention to insure the many facets affecting procurement contracts are complied with. The schedule reflects the contracts in being for which delivery has not been completed.

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pleted; procurement schedules approved by Office of the Secretary of Defense, for which contracts have not been let; and the forecasted schedule to support the current AMP. As a total entity, the production data section of the AMP presents the planning actions taken to provide for peacetime production. Should any element of the planning indicate the requirements will not be met, timely notice is given so that appropriate decisions can be made in this regard. It might be that additional production facilities can be located and put into production; careful analysis of the use and mission of the item may indicate requirements are too high; a recognized risk may be taken that as many items will not be needed as programmed; or it may be that it will be impossible to produce as many items as programmed and another item will have to be used to accomplish a part of the mission assigned this particular item.

15-11. Distribution planning policies

a. General. Materiel requirements displayed in the AMP reflect quantities necessary to equip an initial wartime force and to keep this force fully operational during the time frame of a postulated scenario. This ultimate purpose, and the equipment and ammunition requirements generated therefrom, are used to support appropriation requests. However, distribution planning is based upon a different concept—that of making the best use of Army assets in a pre-D-day environment, and requirements stratification is somewhat different. For example, equipment whose purchase was justified by vaguely defined post D-day consumption requirements is actually issued to very specifically defined distribution requirements for theater reserves, priority mobilization reserves, general mobilization reserve, and other types of war reserve.